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WEST EUROPE REPORT

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COMMUNIST PARTY INTERNAL FEUD CONTINUES

Personal Antagonisms

Helsinki KANAVA in Finnish No 3, 1980 p 156

[Article: "Among Brothers"]

[Text] "Of course no one would want to deny that the long-standing problems of our party have manifested themselves also in the form of certain personality conflicts and that they should be done away with. But it should be said at least as emphatically that the problems of party leadership are not basically personality conflicts. If we were to suppose that the problems could be solved by personnel changes in the party organization we would surely be on a wrong track, one that would lead to an aggravation of our problems." (Taisto Sinisalo: "Our strength is in unity," TIEDONANTAJA).

Even at the end of the long road since the split of the SKP [Communist Party of Finland], no one would dare admit the real reason why the split 14 years ago happened. Because in reality all the disputes about pure doctrine, following of Marxism-Leninism, government responsibilities, etc, which have arisen over the years, lead to the same point: the party congress held at the end of January, 1966. At that time, those who wanted reform in party leadership were able to clarify the internal power-relationships of the districts and, most important, the amount of real support for the previous leadership (Aaltonen, Pessi, Tuominen).

The--literal--fall of Aaltonen from the chairmanship at the 14th party congress was, in the minds of the Saarinen-Salomaa faction, sufficient demonstration of the change, and Pessi was able to preserve his post as first secretary for the sake of outward harmony. The price was high, however, because by the next party congress the Saarinen group had lost an additional six district organizations to the minority, whereas 3 years before that there had been only two.

The role of Ville Pessi, who was made honorary chairman of the SKP, in the shaping of relationships between the majority and the minority, has remained

unclear, but his activity as the party's highest paid professional in behalf of its main policy line cannot have been very great. The solidifying of the situation just because of personality questions is shown by the example of the party delegation in Parliament. The minority faction took a clear stand on many points both against the government policy of the SKDL [People's Democratic Union of Finland] and especially against present first secretary Aalto. The sacrifice that the present majority will probably have to make in the next party congress will be to shift Aalto aside to some suitable position in a state-owned company. For this historic compromise to be realized, the resignation or deposition of the present vice-chairman would also be required. Even Sinisalo has begun to suspect this, as the quotation cited at the beginning leads one to imagine. His possibilities of becoming chairman have vanished, defeat in parliamentary elections took away his prominent position, and also certain changes in personnel have diminished outward support.

The tough speeches that Aarne Saarinen has made in recent times have also been a hint to outsiders of the policies that are to be followed after the 19th party congress if it is desired that he remain as chairman. Whereas a couple of years ago it seemed from an outsider's point of view that the minority was attacking and the majority was tolerant, the roles have now been reversed. It was Saarinen who was on the offensive and Sinisalo on the defensive in their speeches at the negotiations for reconciliation held at Pyhtaa. But their viewpoints on many central, if politically secondary, issues are so far from one another that if future handling of the problem remains mainly between these two, the outlook is not good.

Experience since the time of the separation of the Social Democrats and the trade unions has shown that it is not easy to achieve harmony and that the biggest problem is precisely the solution of personality problems after agreement has been reached on other matters. In the SKP dispute, Ville Pessi has sometimes tried to appear as a mediator representing a so-called third line, but those attempts have also collapsed. Intervention by fraternal parties has also failed to promote the creation of harmony, in some cases they have prolonged the schism. And yet everything depends on only a few people, or more exactly on their positions.

Aarne Saarinen and his majority in the Central Committee have now given the minority a choice: return to normal activities according to the rules or break-up of the party. "In addition we should ask ourselves over and over again the question: can the party attain sufficient influence and respect among wide sectors of the population if its members carry on year after year an internal struggle from which brotherhood, comradeship and mutual solidarity are far removed?"

Wahlstrom: Save Party

Helsinki KANSAN UTISET in Finnish 23 Mar 80 p 8

[Interview by Jorma Rotko: "Wahlstrom: High time to save the party. 'I expect the party congress to make a change'"]

[Text] Change is unavoidable.

The words are not those of Jarmo Wahlstrom, but the idea is most certainly his.

"I expect the party congress to make a change in the internal situation of the SKP. This change does not mean a change in the main political line of the party, as Taisto Sinisalo for example claims. We are concerned with 10 years of experience, on the basis of which only one conclusion is possible: we must respect obedience to the rules."

Jarmo Wahlstrom is an elementary school teacher from Vaasa, a member of Parliament, and chairman of the SKDL delegation in Parliament. He is also chairman of his district organization. In talking about SKP affairs he prefers to speak as a representative of the grass roots, communicating the feelings of his district.

At this moment party members have greater expectations than usual about the next party congress. The conduct of party Chairman Aarne Saarinen has raised to the surface a hope that the inflamed situation can be improved. But there are also doubts.

"I have encountered them before. The party members say that speeches have been made before."

Compromises haven't helped.

Jarmo Wahlstrom has attended party congresses since 1972.

"As a matter of fact I have been supporting solutions by which we could have assured party unity. Compromises have been made and the party congresses have truly been 'parades of participants' after the compromises have been approved. After the meetings there has been considerable discouragement. Not with the compromises, but with the fact that they haven't helped. The party's situation is no better because of them; rather the previous course has continued.

"I have examined by position on the basis of the experience of the last 10 years. The goal is to keep the party intact, and that can be done by beginning to follow the rules of the party."

Isn't there a minority?

Wahlstrom thinks the viewpoint that there is no majority and minority within the party is shocking.

"I think Sinisalo meant that not all possible difference of opinion correspond with established policy differences. But we can't cover up the division into factions that way. Here in Parliament, for example, it is very clear."

Wahlstrom says that traditional activities of the delegation in Parliament have disintegrated:

"It is useless to make group decisions, because the 11 members of the minority feel they are not bound by them in any way. Matters relating to government policy are especially critical. Joint meetings of the group are impossible when part of the group is in the government and part in opposition."

Wahlstrom says there are some matters on which agreement can be found. There were perhaps more of them when the SKDL was in the opposition, but there were differences already then. Government policy is not the kind of watershed it is believed to be, because there was a minority which went its own way even when we were in the opposition.

Hardening Against Evil

I asked Jarmo Wahlstrom how it feels when someone accuses him to his face of class treason.

"Of course it depends on the situation and the words. It's difficult, but on the other hand one has to become accustomed to it and to some extent 'hardened.' I think this hardening is by itself a bad thing, but on the other hand there is of course no other way than to work within the party.

"The accusations are often so irrelevant that one can't even get offended at them. From the way the question is asked you can often tell where the inquirer has gotten his ideas. When TIEDONANTAJA publishes a centerfold about the EVA [expansion unknown] and the social contract, a few days later people in the field are asking 'why is Saarinen an agent of the EVA?' I would say that that publication has an unusual responsibility. Its editors must know how people read between its lines."

Sad Memories

Wahlstrom became a member of the SKP in 1960. He remembers nostalgically the early period of his activity. Of course there were problems then as well, but no split.

It is especially sad that many personal contacts have been broken off as the internal situation has developed.

Wahlstrom feels that the dispute is especially discouraging in the field. Members of parliament and the organization have become used to it.

"Our ideals involve a lot of emotion--and that's how it should be. But emotions are what make everything so difficult at the field level."

Wahlstrom sees that it is high time to save the party.

"It appears that a majority of the membership has joined during the last 15 years and has known only a broken party. In recent times, new members have had to join one faction or the other. Even though it may seem hard, one must say that there are some anti-party people there also. They have fought against the party leadership, first from outside and then from within."

The abnormal situation in the party leads to many kinds of distortions:

"Selection of people for party functions is made on the basis of the division into factions. I would think that both factions have people in positions which they would not be in if the situation were normal. For example the ideal situation in the Vaasa district would be that we run the 18 best possible candidates. People could choose among them and campaign for them. That would increase our support. Now it can't happen. Instead we are fighting within the party of votes to be given to one faction or the other. Many human resources go unutilized."

Light Can Be Seen

Even though the situation has not changed during the last 10 years, Wahlstrom still sees light at the end of the tunnel:

"Nowadays people have begun to look at the party conflict more coolly and objectively; formerly battle positions were much more rigid. The younger party membership is active and intelligent, and they can to some extent work together across the division into factions."

But nothing new can happen unless the party congress is different from what previous ones have been:

"I expect that preparations for the congress will take place in a democratic manner. I'm sure that this is also the hope of the membership. The membership has gotten along by agreeing about some things in order to maintain an appearance of unity. From this it has followed that the congresses could not be organized democratically, and voting activity has also been low in election of members of Parliament."

Is there danger of a split?

All "special" congresses have been held in order to avoid open splits. Has this risk now disappeared?

Wahlstrom thinks about the question for a long time:

"Of course this kind of risk exists. The minority states that following of the rules leads to a split. I really don't understand this--how could it lead to that by itself?

"There is only one choice: to follow the rules. The party cannot divide its activities in this way. Everyone must approach this matter responsibly and seriously."

The minority has wanted to avoid the question of rules by [claiming] that the division into factions has been "legalized" by a decision of a party congress made in special circumstances.

"When the basis of activity is evaluated, the rules and the party program are naturally of first importance. The rules are the basic law; decisions can be changed."

In Wahlstrom's opinion it is now time for every party member to consider these questions.

"The party must become unified, and its activities return to normal channels. We cannot go on like they any longer."

Central Committee Agenda

Helsinki KANSAN UUTiset in Finnish 25 Mar 80 p 7

[Article: "Basic Principles in Preparation for the Congress"]

[Text] SKP chairman Aarne Saarinen made an eight-point proposal to last Wednesday's meeting of the Central Committee concerning the principles and goals that should be the basis of preparations for the SKP's 19th party congress.

Saarinen observed that this does not represent only his own personal ideas, but viewpoints which are wide-spread in our party. He emphasized that it is a minimal program, containing only certain principles and viewpoints of a fundamental nature leading toward normalization of party life.

He has not yet presented his theses for approval, but said that would become necessary at a little later time.

Saarinen's proposal was as follows:

The main goal should be the normalization of party life. In my opinion this requires, among other things:

1. that the congress be prepared for and conducted according to the rules and organizational principles of the party.

2. that documents to be presented to the congress be prepared collectively and in such a way that drafts can be considered by party organizations and members, and so that they can be handled in a normal way at the congress; decisions concerning them will be made there.
3. that we stop trying to achieve inflexible goals for solution of problems based on division [of the party] into factions and that a proposal be prepared on formation of leadership organs capable of working together and able to make progress toward unity.
4. recognition that the rules are our only guidelines for organization and that they do not exclude the existence of differing opinions, but permit them, and people will not be expelled or pushed aside because of differences of opinion. But differences of opinion do not confer the right to work against decisions made according to the procedures specified in the rules. Clear cases of violation of the rules will be considered by appropriate party organs for decisions to be made.
5. if agreement can be reached about the matter of the press, or if we can agree that positions at variance with decisions of the Central Committee and the Political Committee will not be publicized nor will personal attacks or other irrelevant debate about internal differences of opinion be made in public, then the most important decisions of the Central Committee and Political Committee as well as possible differing opinions will be communicated to district committees and through them to local organizations.
6. that during the congress clear and unambiguous decisions be made about disputed questions (for example the question of participation in the government). This is necessary so that no one can claim that the Central Committee has violated decisions of the congress and on that basis come out against its decisions and those of the Political Committee.
7. that the question of differences of principle and politics be examined on the basis of the party program of 1969 and at the same time we define the points on which we agree and disagree and that principal emphasis be given to the factors which unite the party.
8. that recent party congresses and their decisions be respected as important congresses during the so-called transition period in preventing a break-up of the party, but that now we must go forward toward normalization of the party situation by means of the above-mentioned steps, among others.

Stalinists 'Falsify Again'

Helsinki KANSAN UTISET in Finnish 25 Mar 80 p 7

[Article: "TIEDONANTAJA Distorts Again"]

[Text] SKP press secretary Olli Björckbacka has sent a correction to the editor-in-chief of the newspaper

TIEDONANTAJA concerning that paper's lead article about the decision made last Wednesday by the Central Committee of the SKP in regard to the so-called "veterans' letter." Bjorckbacka feels that TIEDONANTAJA should have also published the decision of the Central Committee instead of relying on its own erroneous summary.

Following is the entire text of the request for a correction:

[To] the editor-in-chief of TIEDONANTAJA

I request space in your paper for the following correction to your paper's lead article of March 21, 1980.

TIEDONANTAJA's lead article of March 21, 1980, treats the truth quite liberally, to put it mildly, in describing the decision of the meeting of the Central Committee on March 19, 1980, and its background, the letter written by ten former employees of the SKP.

First of all, concerning the results of the vote. According to TIEDONANTAJA, the vote was 24 "yes" to 21 "no." According to the minutes, 39 regular members of the Central Committee voted according to approved practice, and their votes divided 19 "yes" and 19 "no," or all together 25 "yes," 21 "no," and one abstention. Some of the members of the Central Committee had been unable to attend because of travel and other reasons, and three members of the majority had already left the meeting. The responsible editor of TIEDONANTAJA could have verified this himself.

Secondly, TIEDONANTAJA expressed surprise that, in considering the matter, the other side, namely the writers of the letter and the editors of TIEDONANTAJA were not heard. The truth in this matter as well is that two of the signers of the letter, Aimo Aaltonen and Lauri Kantola, did participate in the meeting, and contrary to what happened in the vote on Saarinen's own matter, they did not abstain but voted "no." In addition, Lauri Kantola was a member of the sub-committee that prepared the decision and spoke in the regular meeting. The editor-in-chief of TIEDONANTAJA himself participated in the meeting, and he took an active part in the discussion leading up to the decision, among other things stating that he was not personally responsible for publication of the above-mentioned article, because he was on a trip abroad at the time it appeared. Because of this he even wanted to soften the sub-committee's draft decision, in which he was mentioned by name and his responsibility for articles published in the paper was pointed out. The final text of the decision was proposed by acting first secretary Erkki Kivimäki and not Saarinen, as TIEDONANTAJA states.

Thirdly, the author of TIEDONANTAJA's lead article perpetuates the same distorted line which the Central Committee had just reprimanded.

We are dealing with a provocative distortion of Saarinen's article. However, TIEDONANTAJA fails to mention this particular point in its free summary of the decision of the Central Committee.

Fourthly, TIEDONANTAJA makes the accusation that a decision of the Central Committee meant for internal use was made public. For this reason it must be stated that the response of the Central Committee to an insulting open letter, published in the public media, can of course not be a secret internal decision of the Central Committee. Neither did the Central Committee make such a decision of course, which the editor-in-chief of TIEDONANTAJA knows very well, having been present himself at the meeting. And finally, since TIEDONANTAJA found it necessary to comment on a decision of the Central Committee, it should be all means have published the decision itself and not just an erroneous summary.

Helsinki, March 24, 1980

Olva Bjorkback

SKP press secretary

Own Communist Path

Helsinki KANSAN UUTiset in Finnish 25 Mar 80 p 8

[Article: "Bjorklund Explains the Possibilities of a New Path"]

[Text] Christian Bjorklund, an SKDL member of Parliament, responded to those who doubt the need and possibility of a new Socialist strategy last Sunday in Pori by quoting Enrico Berlinguer, first secretary of the Italian Communist Party. Bjorklund spoke at a celebration organized jointly by the societies of Kylasaari, Malmipaa, and Vaharauma in honor of the 35th anniversary of the people's democratic movement.

"When anyone emphasizes the need for a new and original way for Finland and other developed capitalist countries to move to Socialism, he easily runs into doubts," said Bjorklund. "People ask whether such a new path is necessary or even possible.

"The problem of course is that strategies up to now do not seem to have been able to achieve results in our circumstances. On the one hand, the traditional Social Democratic reform movement has long ago shown itself to be both unable and unwilling to break the bonds of capitalism. On the other hand, traditional Marxism-Leninism has a bad tendency to try to make all the features of fundamental social experiments which have taken place in conditions totally different from our own into virtues of Socialism, including those which were dictated by force.

"The Italian first secretary has been accustomed to answering those who doubt the possibility of a 'third path' by turning the question around. Berlinguer says:

"Why shouldn't some other path than that of the Social Democrats or that of the Soviet Union and other Socialist countries be possible? Why should it be necessary to imitate and follow step-by-step the things which have been done before in conditions differing historically, socially, and politically from our own, without taking into consideration the experience and errors of others? The truth is just the opposite. Only by travelling a different path can we achieve Socialism here in the developed capitalist countries."

"I myself imagine that one central feature in which a successful Socialist strategy must differ from main-stream thinking so far is that of giving up the aim of revolutionary seizure of power as a main goal. Let our main goal be the overturning of power. This is not a semantic game. I mean that the Socialist movement should emphasize in its goals the concepts of direct control of power by people and the promotion of self-government, according to its original ideals, rather than controlling positions in the centralized government machinery.

"I want to emphasize that when I talk about the SKDL's special responsibility to participate in seeking a new third path, it comes from the fact that this group is perhaps least of all burdened by old fetters. But it is completely clear that this new strategy must be found by renewal of the whole worker's movement, through which we can attach ourselves both to the goal of Socialism and to the unconditional inviolability of democracy," said Bjorklund.

Stalinists' Program Suggestion

Helsinki TIEDONANTAJA in Finnish 1 Apr 80 p 11

[Article by Janna Vuorio: "Communists and the SKP's Main Line"]

[Text] People have been trying lately to generate a debate within the SKP about our party's main line. Speeches on this subject have been made by chairman Saarinen and first secretary Aalto, among others. Because the speeches have demonstrated some rather peculiar views about the main line as well as requirements that it be changed, it may be permitted and even necessary to state how Communists should regard this matter.

1. Communists should treat the question of the main line of the party on the basis of scientific Socialism. According to this, the main line means party strategy for a specific historical time period. On the other hand, tactics means the adaptation of the main party line or strategy to certain concrete situations.

2. In defining the main line it is necessary to state among other things the central goal or goals, the chief enemy against which forces are to be concentrated, and the chief allies in this struggle. On this basis, speeches about changing the SKP's main line so that class enemies and monopolies are not mentioned and so that only the broadening of democracy is spoken about are erroneous and in conflict with the bases of Marxism-Leninism.

3. During SKP's entire existence, we have always tried to develop the main line creatively and on a principled basis. The main line of SKP's struggle against big capital in the 1920's was the building of a united front of workers. In the 1930's [it was] the anti-fascist people's front and in the 1940's "cooperation among the big three." Now the main line of our party is the building of a democratic front in the struggle against monopoly and political reaction for the broadening of the democratic rights of workers and the establishment of the prerequisites for Socialism. This main line was made concrete especially in the proposal "Program for cooperation among democratic forces" approved by the SKP at the 17th congress and in the program "For a democratic turn" approved at the 18th congress.

4. Aalto's proposal "For a historic Finnish compromise," which aims at class harmony instead of the struggle against monopoly, is in conflict with the main line approved by the SKP, in regard to the approval of which there was no majority or minority. Also in conflict with SKP's main line is the political behavior, based on the theory of the "historic compromise," which often characterizes the political activity of the SKDL's group of ministers and the parliamentary work which is subordinate to it. In practice this appears in the form of violation of very specific decisions of congresses.

5. The development of a main line in present conditions in a creative manner and on a principled basis requires among other things:

- unconditional rejection of efforts to reform the present main line;

- strengthening of the foundations of the present main line, namely opposition to monopolies;

- active realization of the decisions of the 18th congress the precise analysis of experiences in this struggle in order to sharpen present goals and set new ones;

- evaluation of new phenomena and new social movements of present times and taking into account of the starting-points of the class struggle;

- further development of the SKP's present program of options on the basis of the decisions of the 17th and 18th congresses, and

- formation of a new program of government policy for the fulfillment of the program of options for the Communists' own activities.

DEVELOPMENTS IN COMMUNIST, SOVIET FOREIGN RELATIONS

PCF-Mugabe Congratulatory Message

Paris L'HUMANITE in French 5 Mar 80 p 9

[Text] The Secretariat of the PCF today sent a congratulatory message to Robert Mugabe. Stressing the importance of the outcome for the future of Zimbabwe the Secretariat stated in particular, "Your victory is an essential contribution to the struggle of the African people against racism and neo-colonialism. It is an important blow against world imperialism. You know the French Communist Party has always supported the struggle of the people of Zimbabwe. Today we reaffirm our solidarity in your struggle against all the attempts of imperialism and the racist South Africans to negate the gains made by the Zimbabwe people."

Another message of congratulations and solidarity was sent to Joshua N'komo by the Secretariat.

PCF-FLN Meeting

Paris L'HUMANITE in French 6 Mar 80 p 9

[Text] An Algerian delegation led by Abdel Kader Saadna, member of the Central Committee of the FLN is presently in France within the context of brotherly relations between the FLN and the PCF.

Yesterday it was received by Maxime Gremetz.

In the course of the meeting, representatives of both parties expressed pleasure at the level of cooperation between the two organizations and the common willingness to develop it further, especially as concerns the struggle of French workers and immigrant Algerians against racism.

Maxime Gremetz reaffirmed that the PCF would exert itself to oppose the registration of immigrant workers as projected by the Giscard government.

In conclusion Maxime Gremetz insisted particularly on the importance that the PCF attaches to mutual accord and upon its resolve to work at developing cooperation and joint action between the PCF and the FLN.

CGT Lisbon Delegation

Paris L'HUMANITE in French 6 Mar 80 p 8

[Text] A CGT delegation left Paris yesterday for Lisbon, where it will participate in the 3d Congress of the Portuguese CGT.

Members of the CGT delegation include: Georges Seguy, Secretary General; Pierre Feuilly, member of the Confederated Executive Commission; Georges Croese and Alain Guinot, employees of the Confederated Bureau.

French-Soviet Moscow Meetings

Paris L'HUMANITE in French 6 Mar 80 p 8

[Text] The second since January of a series of Franco-Soviet discussions of the international situation ended Wednesday in Moscow. The discussions were led by M. Bruno de Lausanne, secretary general of the Quai d'Orsay, for the French delegation and George Kornienko, first vice minister of foreign affairs, for the Soviet side.

No statement was issued following the talks, which lasted for seven hours. However, it is customary not to make an official comment after this type of meeting.

It is only known that the events in Afghanistan and their repercussions were discussed in detail, as were the problems of disarmament and preparations for the meeting in Madrid this fall of the 35 nations (33 European countries, the U.S. and Canada) who signed the Helsinki Agreement in 1975.

Did the representatives of the two ministries go beyond a mere exchange of views with regard to the first problem? The French side stated that there was a dialog; a useful dialog in a good atmosphere.

But the usefulness of such talks depends above all on the political willingness to find a solution. It is not a matter of alignment behind a political formula of the White House, nor in working out a plan for the "neutralization" of Afghanistan.

Marchais Martinique Solidarity Statement

Paris L'HUMANITE in French 14 Mar 80 p 5

[Text] As we go to press, a large popular demonstration is due to take place at Fort-de-France called by all the democratic political organizations and unions. This gathering is taking place in a strained atmosphere caused by the recent decisions and statements of Paul Dijoud, Secretary of State for the DOM-TOM (French Overseas Departments & Territories). Not only were reinforcements of the Mobile Guard sent to Fort-de-France but, yesterday again, M. Dijoud repeated his threats to break all Martinique protests.

against the colonial regime by force. "Let us not forget," he said, "that it takes only ten hours for intervention forces from the motherland to land at Martinique." Will it be another expedition such as those in Zaire, Chad or Central Africa?

It is under these conditions that Georges Marchais, secretary general of the PCF, gave the following message to those who participated in the demonstration of 13 March at Fort-de-France: "Dear friends and comrades, on the occasion of this gathering for today's struggle, I assure you in the name of the PCF, of our full support and of our active solidarity.

"The threats of repression made by the secretary of state to DOM-TOM of Giscard d'Estaing are provocative and dangerous for the liberty of the workers and of the people of Martinique. We vigorously denounce them. We are acting vigorously against attempts to put them into effect.

"The Giscard government, whose policies of increasing austerity had been checked by the recent struggles of the men and women of Martinique, now wishes to dictate their acceptance through recourse to force.

"Today's great demonstration shows that in pursuing this course, which risks grave consequences, Giscard d'Estaing must reckon with the reaction and struggle of the workers and of the people in Martinique. He must also reckon with the PCF which is at your side in the defense of public liberty and dignity, against all attempts to use force and strengthen authoritarianism.

"With you we demand today the withdrawal of the forces of repression which the government has just dispatched to Martinique.

"With you we demand the dropping of charges against the demonstrators of these past days. I reaffirm that in this fight for the defense of democracy and liberty, for the satisfaction of the demands of the workers and of the people of Martinique, the French Communist Party is resolutely at your side.

"We are taking the necessary initiatives for the support of the just demands called for in your demonstration and for the continuation of your struggles."

8353

CSO: 3100

ARABIAN, EUROPEAN, AFRICAN DETERMINANTS IN FRENCH AFRICAN POLICY

Paris LE MONDE in French 25 Mar 80 p 2

[Article by Center for Advanced Studies in Modern Africa and Asia Research Director Jean-Pierre Gouane: "The Limits of Trilogue"]

[Text] The idea is seductive; it is simple, even simplistic. It came naturally to the minds of statesmen, economists and experts when in late 1973 the increase in oil prices caused a transfer of wealth from the industrialized countries to the coffers of the producing countries, located for the most part in the Arab world. As for Africa, it has always presented the same type of needs structurally: let us not forget that 1973 was also the year of the great drought in the Saharan countries. The idea had a particularly favorable reception in our country because of the privileged ties which we maintain with part of Africa.

As a matter of fact, trilogue is already in existence; Giscard d'Estaing pointed this out very well in the speech he made at the Franco-African conference in Kangali*; it exists, at least in the form of a triple dialogue linking the three partners in pairs. The innovation would seem to consist of the institutionalization of such a practice, in its being made more solemn, being given a more political dimension. Some gloomy souls will think that it is a question of creating another international conference on development, although in the recent past this sort of showcase has often achieved only very meagre results. Would this latest stand a better chance of success than its predecessors?

Aware of their state of political instability and economic precariousness, most African states think, and justly so, that they have nothing much to lose in an undertaking whose failure could not be imputed to them since they have taken no initiative in the matter and whose success would certainly be coupled with some economic advantages, even minor ones, which in many cases are most urgently needed. In any case that scarcely seems

*LE MONDE, 23 May 1979

likely to affect the aid from which they are already benefiting, that from the European countries, particularly France, no more than that from the Arab countries. With respect to the latter, however, several African states are beginning to feel a certain reticence, provoked by the religious proselytism or politico-military interventionism of certain Maghrebian or Near-Eastern countries, interferences that trilogue would perhaps promote.

It would be deluding oneself, however, to think that the Arab countries are concerned, exclusively or even as a priority, about the fate of the African continent alone, even when they belong to it. What is more, some of them are opposed, more or less openly, to France's action. Colonel Qadhafi seems more inclined to struggle than to trilogue!

As for the eastern Arab world--which is less familiar to the French, even after the visit which the president of the republic just made there--it seems to be interested as much, if not more, for reasons of political solidarity as of geographical proximity or simple objective importance in the countries of South and East Asia, which contain by far the majority of believers in Islam, as is perhaps not sufficiently realized in France. In fact, the Arab strategy of economic and financial and even political cooperation would appear to be much more global, certainly not limited to Africa or even to the Third World, as a recent study* clearly shows. The Arab world will never let itself be imprisoned in a triangular Eurafrican yoke. It is at the common vertex of at least two triangles; the other, in Asiatic (the Arab world, industrialized Asia, developing Asia) is in its eyes in no way inferior in importance to that which would be the object of eventual Arab-Eurafrican trilogue. Moreover, through its oil and its petrodollars, the Arab world will henceforth be at the heart of a multiple network of triangular relations, uniting the diverse poles of the industrial world with all developing regions.

A Regional Game

The Europeans' interest in this idea remains to be considered. Their attitude does not seem likely to be marked by as profound unanimity in this as in other fields. The Europe of the Nine is most certainly playing a regional game with the Third World, in large part on French initiative, which dates back to the Yaounde accords, extended by the Lome accords, the former exclusively, and the latter predominantly, Eurafrican. But some Community members, among the most dynamic, do not readily accept this African distention; it threatens to overshadow other partners in Latin America or Asia--who are more promising although more difficult.

Trilogue would thus present the major inconvenience for Europe--but especially for France, which has only too great a tendency to take refuge

*"Cooperation Trilaterale," OECD Development Center, Paris 1978.

in the tender comfort of its habits, its friendships its language--of accentuating an African polarization which is legitimate to a certain extent, but which is clearly insufficient to resolve our problems, particularly problems of foreign trade, this continent constituting only a very poor market as yet. Now, this is indeed a major preoccupation, one of the rare ones on which agreement in France is practically unanimous.

In Africa more than elsewhere in the Third World, because of obvious historical ties, our country risks becoming bogged down indefinitely in the subtle and ambiguous snares of charity and domination, which are inextricably entangled, under the pretext of cooperation or solidarity. At times one might think we had returned to the heyday of the "colonial party" when a Parisian pamphleteer dared to write, "Let's let Asia go; let's take Africa." Now, we are no longer on the verge of the 20th century but rather on that of the 21st, which, in the opinion of all observers, promises to be the century of Asia and the Pacific.

9380

CSO: 3100

GENERAL ARROUAYS INTERVIEWED ON MILITARY TRAINING

Paris AFRIQUE DEFENSE in French Apr 80 pp 42-44

[Interview with Gen Jean Arrouays' date and place of interview not given]

[Text] Air Force Gen Jean Arrouays, French Government advisor in the Defense Ministry, has made a study of France's training of foreign military personnel, particularly Africans. In this capacity he has visited the various French military schools of the three armed forces branches and the gendarmerie as well as some African countries. He was happy to answer the questions we put to him.

[Question] General, we have been given to understand that you are interest in France's training of foreign military cadres, particularly Africans. Can you give us an indication of the effort that this represents for the French armed forces?

[Answer] The acceptance of foreign trainees by the three branches of the armed forces, the gendarmerie, and the joint service programs, definitely represents an important activity, since every year some 3,000 students of about 50 different nationalities receive training in our schools under various arrangements. Carrying out this mission, which is in addition to cadre training for specifically French needs, obviously requires complementary resources as much in the area of facilities as in materiel and personnel.

[Question] Who covers the relevant expenses? Is it the Defense Ministry's budget which must meet them?

[Answer] There are several possibilities. As a rule, countries requesting the training pay us back for the corresponding services. This is the case particularly when it is a question of training linked to the purchase of new weaponry. However, when our partners are countries with which we maintain special working relations, the training expenses involved can be totally or partially shouldered by the French Government. Finally, in

certain cases, it can be a matter of simple trainee exchanges with similar foreign schools in the framework of a reciprocity agreement. This last procedure only applies to a small number of students but it deserves to be pointed out because it relates to a very beneficial dimension of our instruction.

With regard to the financial burdens assumed by the French Government, I think that too much importance should not be attached to the means of budgetary allocation. However, as a general rule, it is the budgets of requesting ministries--Foreign Affairs and Cooperation--which are credited with the appropriate sums. The Defense Ministry as a rule is only a simple service contractor. This is not entirely lacking in logic to the extent that one has a broad enough conception of defense. In fact it is better to help a friendly country to safeguard its own security by itself than to be forced to fly to its aid at the slightest alarm.

[Question] General, how do you explain the significant influx these last years of foreign trainees into the French schools, particularly those coming from developing countries?

[Answer] The presence of foreign trainees in French military schools is not new. It is very much rooted in the tradition of our country, which wishes to be a hospitable land open wide to the outside world, and in our teaching which has, hopefully, some universal relevance. What is new is the increase in demand. As far as I am concerned I see several reasons for this. Obviously among these, why not say it, is the generally recognized quality of our instruction, the *sine qua non* of its current prestige. Another major reason undoubtedly is the increased need throughout the world in the area of military cadres. This increase is essentially due to the relatively recently acquired independent status of a large number of young nations for which one of the first concerns has been to endow themselves with the means to preserve that independence--in other words, national armed forces first of all. Who could criticize them for this in the troubled world we live in?

Since the need for civilian officials of all kinds is also very important in the majority of these countries, certain transfers often take place, of personnel initially trained for military purposes, to the public or private civilian sector. This seepage has a secondary effect of further increasing the demand for the training of military cadres. Of course, France is not alone in offering places in its military training schools. Numerous countries do likewise, led by the United States and the Soviet Union, which naturally have material means at their disposal that are far superior to ours.

It is natural that certain cultural and political factors affect the choices our allies make among the diverse possibilities offered to them. Thus Francophone countries have an interest in taking advantage of instruction given in French, part of a culture with which they have been imbued. Besides, on the political side, France is indisputably one of the countries that project an image of independence and freedom to the

world. Having voluntarily renounced all imperialist aims, it provides young developing nations a chance to work with a technologically advanced country, without thereby running the risk of taking on a new master, whether directly or via an intermediary. It should also be pointed out that the exclusion from our training of all forms of political or ideological indoctrination cannot but be appreciated by partners anxious to maintain their independent judgment.

[Question] Do not the numbers and diversity of foreign trainees in the French schools generate various tensions among students and difficulties for the instructors?

[Answer] You are raising several delicate questions. It is quite obvious that communal living does create and will always create problems, even when it's a question of a homogeneous population group, even the same family. There is no reason for the military community to be an exception to this rule, but it is not a problem which cannot be solved with a little good will. There is, to be sure, the matter of numbers which cannot be exceeded for simple equipment and logistical reasons, since our enrollment capabilities cannot be expanded indefinitely and "the most beautiful girl in the world can only give what she has."

There is another reason which compels us to limit the number of foreign trainees in our schools aside from any material constraint. Experience has shown that in a given class it is not possible to go over a certain percentage of foreigners in relation to the group of French students without the risk of distorting the character of the instruction. That instruction's first goal is of course to train cadres for the French armed forces taking as their point of departure young Frenchmen, with their good sides and bad, their cultural and technical heritage, and their accustomed ways of living and thinking. A great diversity of background among the trainees is naturally not going to simplify our task. That heterogeneity, derived from different previous experience, makes for some difficulties in the course of the educational process.

Besides, very often the training which is desired is not necessarily the same. In practice, the French armed forces have been conceived, organized, equipped and trained according to our national conception of defense which is, as you know, based on nuclear deterrence and influenced by our geopolitical situation. It is therefore not obvious, a priori, that the instruction which we offer is well adapted to armed forces likely to be confronted with different situations in another geographical and political framework. By way of example, there is little chance that our schooling on conjectured maneuvers of mechanized and armored units in Europe has much in common with guerrilla warfare in the African bush.

In conclusion, it is necessary for us to adapt our educational method, based on the fact that the human resources as well as the final goals being sought are different. Our instructors must therefore constantly prove themselves to be men of intelligence and imagination to adapt themselves to the diversity

of their audience. Likewise, every foreign trainee must make the necessary effort to translate the instruction he receives into the terms of his specific concerns. We have mentioned certain difficulties here, but neither should we slight the advantages of this mixture of trainees coming from very different backgrounds, called upon to "sharpen their minds by contact with others," acquiring in this fashion a broader outlook than if they had lived in a closed environment. The foreign input contributes in fact to widening the culture base of our cadres and to erasing certain complexes or pre-conceived ideas. Furthermore, the friendships which are formed among men when they are young, receptive, excited generally by the same ideals and who will be called upon to perform important responsibilities later on, are an important opportunity for understanding and future cooperation of our peoples.

(Question) Now, General, can one reconcile this very heavy demand for the admission into the French military schools with their necessarily limited capacity for enrollment?

(Answer) Our first concern is to insure that the means at our disposal are utilized fully and that the instruction which is provided is received under the best condition. To do this it is advisable to organize activities for the foreigners, preparatory to formal enrollment, so that they can benefit from the instruction in optimal conditions. My observation here refers to, among other things, the area of mastery of our language, even for the trainees purported to be French-speakers. It is in this way, for example, that the armed forces have been led to create, in a military environment, learning systems for French language and for scientific grounding which prepare the foreign trainee to follow our technical instruction. Other means are possible, particularly in the area of correspondence courses.

As for increasing our overall enrollment capacity, there exist, outside of maximal utilization of the capacity at our disposal, two areas of effort likely to give interesting results. Since the percentage of foreigners able to be integrated into the French classes is necessarily limited, as you have reminded us, it is possible, to the extent that our physical enrollment capacities permit, to set up either within or alongside our military schools some specialized structures to receive foreign trainees. These can take the form of specially tailored options which give the advantage of allowing a better adaptation of programs to the exact characteristics of trainees and the goals sought after. We are talking here in short about a kind of custom-made instruction, specially adjusted to meet a precise need.

Another direction of effort, completely aimed towards promoting cooperation, consists of assisting countries to create within their own boundaries methods of training which they lack. It would be a matter, for example, of setting up organized instruction calling at the start on French personnel, materials and methods but able to be progressively transferred to our partners as soon as they acquire the capacity to run them on their own.

[Question] General, since France is more particularly interested in Africa, can you respond to the accusation heard sometimes leveled against France of only looking out for her own interest in her cooperation with that continent's nations?

[Answer] It is not my place to make a judgment concerning the foreign policy of my country. I will simply say this, on my personal account: I have often heard or read, in fact, criticisms which are by the way very much contradictory. For some people, as you have put it, France is spending money with nothing to show for it which would be better employed elsewhere. I think that these types of judgments are usually uttered by poorly informed persons, or ones whose intentions are suspect. In fact, cooperation is by definition working together for mutual interest, and it would be insulting the intelligence and the sense of responsibility of the leaders of our partners to imagine that cooperation can be one-way, to the extent, of course, that it is freely entered into. On this subject, I think that no doubt is possible. For France is too attached to freedom to want, in whatever form, to lessen that of another. The economic and political reality is that France and a certain number of developing nations accrue a substantial benefit in increasing their cooperation, since, apart from historical, sentimental and cultural ties which link them together, their interests are objectively speaking complementary.

[Question] Do you think that cooperation with France alone is sufficient considering the extent of the tasks to be performed on the African continent?

[Answer] I could evade the question by answering "that it is not necessary to be hopeful in order to make an attempt," but I would like to call your attention to a few points. First, France offers its cooperation to whomever would like to benefit from it and does not aspire to any monopoly. The African nations do not moreover deprive themselves of cooperation with other partners when they think they can find that to their advantage. Having said this, I think that a country that needs to depend on high-quality technology in order to further its development cannot excessively diversify its sources of equipment and its technical frame of reference without running the risk of transforming itself into a Tower of Babel. Furthermore, French technology is without a doubt, for obvious reasons, one of the most easily assimilable by Francophone countries.

As for the modest level of French wherewithal compared to the dimension of the tasks to accomplish, I would have you observe that France is a country which in this area provides an example which is unfortunately all too much of an exception.

A country's development cannot be the work of a foreigner, even of a disinterested friend. Thus technical assistance can only be an aid, a catalyst, even an example, but it is in themselves that the young African nations must find the will and energy necessary for their take-off. Except by putting themselves again under the protection of a new colonizer, a role which France has once and for all renounced, there is no other way possible for Africa. For liberty is not cost-free, but it is earned by the collective effort of an entire people.

PRESIDENT GISCARD RECEIVES FOUR NEW AMBASSADORS

Paris LE MONDE in French 3 Apr 80 p 3

[Article: "President of the Republic Receives the Credentials of Four Ambassadors"]

[Text] On Thursday, 3 April, the President of the Republic received the credentials of the ambassadors of Bangladesh, Nepal, Botswana, and the Dominican Republic.

Bangladesh

"France is prepared to strengthen its economic and cultural cooperation ties with Bangladesh," Giscard d'Estaing told Abdul Momin, the country's ambassador. He paid tribute to the policy of "Islamic solidarity and nonalignment" carried out by Dacca, whose efforts to find solutions to Asian problems he hailed. [Born in Bengal in 1921 (which, in 1947, became East Pakistan, then in 1971, Bangladesh), Abdul Momin majored in history and in 1950 joined Pakistan's diplomatic corps. He fulfilled various assignments in Burma, the United States, Iraq, Belgium, and Portugal. Pakistan's ambassador to Argentina (1970), he went to work for Bangladesh's Ministry of Foreign Affairs following Bangladesh's independence and became, in 1972, High Commissioner to Canada, then ambassador to China and, at the same time, North Korea, and Vietnam (1976).]

Nepal

Addressing himself to Nepal's ambassador, Krishna Raj Aryal, Giscard d'Estaing asserted that France identified in Katmandou's policy "a philosophy that dovetails with that which guides its own actions." He emphasized France's and Nepal's converging assessments "vis-a-vis the problems shared by both countries. [Born in 1928, Krishna Raj Aryal is an education specialist. He has devoted numerous works to this question. He was assistant to the minister of education (1971-1972) undersecretary of state for education (1972-1973) then minister for education (1973-1975) before becoming minister of foreign affairs (1975-1979).]

Botswana

Replying to Botswana's ambassador Geoffroy Gaboteewe Garebamono and speaking of southern Africa, the President of the Republic said that France will continue to act "so that Namibia achieves its independence soon under internationally acceptable conditions." He said that Zimbabwe's independence will enable Botswana to devote its resources and energy "to the necessary task of economic and social development, in which France is ready to cooperate." [Mr G.G. Garebamono was born in September 1943 in Botswana. After getting a college education in the United States from 1965 to 1970 at Koe College, he went to work for the ministry of Foreign Affairs. First secretary at Botswana's embassy in Zambia from 1972 to 1975, he has been foreign affairs advisor since 1977.]

Dominican Republic

Directing remarks to the ambassador from the Dominican Republic, Mme Ana Antonia Jimenez Andrien, the President of the Republic said that "France, presence in the Caribbean because of its overseas departments," shares with the Dominican Republic "the desire to contribute to this region's political stability so that it can devote itself to its economic and social development." [Mme Jimenez Andrien was born in 1915 at Salcedo, in the Dominican Republic. She completed her high school and university studies in Belgium and in particular continued her studies in philosophy and art history at the Free University of Brussels. Mme Jimenez, who for several years was busy sponsoring exhibits, also collaborated with her husband, Jorge Andrien, a business executive. She was minister counselor to Paris, her first diplomatic post, in 1978.]

9064

CSO: 3100

AIR FORCE PLANS TO BUY BRAZILIAN TRAINERS, TRANSPORTS

Paris LE MONDE in French 28 Mar 80 p 11

[Article by Jacques Isnard]

[Text] A Brazilian delegation will be received in a few days' time at the Ministry of Defense in Paris, to finalize the wording of a contract believed to concern purchase by the French air force of 35 Kingu twin engine turbo-prop aircraft, developed by Brazilian Aeronautics Enterprise (EMBRAER) and intended for training its transport pilots. The contract is estimated at approximately 200 million francs.

The Brazilian aircraft is in competition, in particular, with two American aircraft, also twin-engine turbo-props: the Beechcraft King Air C 90 and the Cessna 425. The latter model was developed by an American company, which granted manufacturing licenses in some parts of the world to Reims Aviation Enterprise. The preference given the Brazilian supplier by the international affairs office of the general arms commission is connected with the fact that France hopes in return to make additional aeronautics contracts with that country, in particular for the purchase of about 50 Mirage 50's and the local manufacture of Puma helicopters.

The present concern is preparation for replacement of the old aircraft, MD 315 and DC 3 models, that have been in use for a long time now for training military air transport navigators and for short liaison flights between the air force and the naval air force. The requirements -- about 35 aircraft -- of the home market do not justify construction of an aircraft by French industry.

As a national program was excluded for reasons of production cost, France turned to foreign suppliers several months ago (LE MONDE, 31 March 1979). Now after a recent visit to Brazil by Gerard Hibon, director of international affairs of the general arms commission, an order is imminent. The MD 315's, in service since 1952-1953, cannot be kept on active duty after 1982.

As each of the competing construction companies can quite justifiably point out the technical advantages of its own equipment while disparaging its rivals' products, the debate has ceased to involve only the specialists and has gradually moved to the areas of political and economic considerations.

In its negotiations with the Brazilian government, what seems particularly to have attracted the French government's attention is the possibility of creating between the two countries a flow of technological and industrial exchanges in aeronautical matters, which would permit Brazil to be used as a "turntable" or "showcase" for French products throughout Latin and Central America.

Brazil has already acquired from French companies 20 Mirage 3 fighter aircraft, some Exocet surface to surface missiles mounted on anti-submarine combat frigates, as well as an airfield-based air cover and navigation control system. In 1978, France obtained from Brazil an agreement on assembly, within 10 years, in the state of Minas-Gerais, of 230 Lama and Ecureuil [Squirrel] helicopters, originally developed by the National Aerospace Industrial Company (SNIAS), and intended thereafter for the South American continent. Brazil alone is using 24 Alouette 3 and Puma helicopters itself.

By giving its preference, in principle, to the purchase of 35 Xingu aircraft, France is counting on going even farther in its aeronautics cooperation with Brazil.

Therefore, the concluding of the Xingu contract may be an opportunity for France to insist in return on a series of commitments by Brazil: 1: for the purchase of additional Airbus medium range passenger aircraft, over and above the three already ordered by the regional Southern Cross Airline; 2: for construction, in part locally, of about 50 Mirage 50 fighter aircraft, a Mirage 3 equipped with the Mirage F-1 air defense interceptor jet engine; 3: for the installation in Brazil, in association with SNIAS, of a production line for Puma tactical helicopters intended for the domestic market and the Latin American customers.

The signing of such a series of agreements requires of the Brazilian government some decisions that are all the more critical to make, in that at the beginning of this year the civil and military administrations were requested to reduce their expenditures and their hard currency imports, because of the excessive inflation recorded in the country, because of its foreign indebtedness, and because of the cost of its oil. That is why the last phase of the current negotiations with Paris is bristling with obstacles.

Moreover, the opponents, in France, of this series of agreements with Brazil have not given up, and they emphasize in particular the -- foreseeable -- vigor of reactions in the United States at such time as a definite contract is concluded in favor of the Xingu.

The American "Buffer"

American builders will indeed be sure to find out, in the corridors of Congress in Washington, that as they see it, France is not playing the transatlantic cooperation game advocated by allied recommendations on arms standardization. At a time when France is trying to sell hundreds of 10-ton thrust CPM 56 jet engines, jointly developed by General Electric and SNECMA [National Company for the Study and Construction of Aircraft Engines] for use on the KC 135 flight refueling tankers of the American strategic forces, the rejection of the Beechcraft and Cessna bids may be negatively interpreted by the United States, if French opponents of the Xingu are to be believed.

Actually, it has to be admitted that the two matters, directly compared, are not of comparable financial importance.

In the Courts

The French-American dispute over advanced military technology is at once of longer standing, more deep-seated, and farther reaching. At the international affairs office of the general arms commission, the United States, which is involved in all the world arms markets, is readily suspected of trying to insulate France by competing with it wherever possible, especially in Europe, where American industrialists are creating a "buffer" for themselves. "Elimination of the only western competitor," it is said, "is part of the strategy of intelligent capitalists."

Already put out by Dassault-Breguet's sale of 41 marine surveillance Falcon 20's to the American coast guard service, industrialists across the Atlantic recently attacked another success by French builders.

The General Accounting Office -- the equivalent of the French Audit Office -- ruled against the purchase conditions of 90 SNIAS [National Aerospace Industrial Company] Dauphin helicopters, again by the American coast guard service. A court appeal for annulment of the contract was filed by the American competitor of the French firm, Bell Textron Company.

Refusing the Beechcraft and Cessna bids is likely to inflame relations again, the partisans of American equipment also think. Especially at a time when France is preparing, in view of the needs of long range military surveillance of its airspace, to test-fly in June the Grumman Hawkeye E 2 C early warning aircraft, of which the French air force -- if satisfied with it -- might then order four.

(Equipped with Pratt and Whitney, Canada, twin turbo-prop engines with 680 hp thrust each, the Xingu EMB 121 made its first flight in 1976. The standard model can carry nine passengers with two pilots. Its economical cruising speed is 376 kilometers per hour at 6,100 meters altitude, and its maximum speed is 450 kilometers per hour at 3,350 meters altitude. According to its payload, the range varies between 1,670 and 2,350 kilometers. The Xingu is in service in the Brazilian air force).

BRIEFS

SDECE ON GUARD--The office of the director of the SDECE (Foreign Intelligence and Counterintelligence Service) is telling the SDECE personnel to be on guard against a KGB "disinformation" operation aimed at making them believe that the French (intelligence) services have been penetrated by agents from East Europe. [Text] [Paris LE POINT in French 19 May 80 p 61]

CSO: 3100

BANK OF GREECE RECEIVES SUBSTANTIAL LOAN

Athens TA NEA in Greek 10 May 80 p 16

[Text] Bank of Greece Governor Zolotas said to reporters yesterday that the bank is negotiating for an additional loan of 100 million dollars following the signing [of an agreement] in Paris with representatives of 12 international banks for a 550-million-dollar loan which will cover the public budget deficit. The loan is based on a floating rate equal to 5/8 of 1 percent over the London interbank prime rate (ed. note: 12.25 percent) plus a flat placement fee of a half point. This 8-year loan calls for a grace period of 4 years before repayment [starts] and 36 months for drawing funds.

The 550-million dollar loan will cover the 1980 balance of payments deficit which corresponds to about 5 percent of the 1979 imports and is the result of the burdening of the balance of payments by 1,500 million dollars out of a total of 2,500 million dollars for the "oil account" and by this year's amortisation payment of 600 million dollars, 300 million dollars of which represent interest of previous public loans.

Zolotas reiterated that the country's economy is under control but that new measures will be needed to avoid a deficit in the balance of payments such as "settling certain issues in order to curb the outflow of capital abroad..." Among such measures he mentioned the liberation of interest rates in foreign exchange but avoided defining other measures for curbing the outflow of capital. However, reliable economic observers have said that one of the first measures the government must take for curbing the capital outflow abroad is to convert--if not abolish--the presumed extra income indicators for tax purposes ("tekmiria") into real income in order to avoid the massive loss of foreign exchange resources, a loss caused by the "tekmiria's" rigid--but not unavoidable--implementation for over 36 months.

Referring to the Ministry of Coordination delay in making public the balance of payments, Zolotas gave the excuse that he is not giving an overall picture [of the economy] because, as a result of the long strike by the banking system employees, substantial payments have been delayed. "In any case," he said, "the trade balance is improving."

In response to a question by TA NEA on the moving to Athens of the headquarters of the International Monetary Fund, Zolotas said that the Fund's representatives are due to arrive in Athens at the end of the month "bent on asking us for restrictions." He added that the second "'trans' [transfer]" should not be withdrawn now but only in case of absolute need."

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CSO:4908

BRIEFS

MARXIST-LENINISTS FUSE--On 1 March of this year, the sister organization of the AKP (ML) [Workers Communist Party (Marxist-Leninist)] in Iceland, the EIK (ML), and the KFI (ML) joined together to publish a newspaper. The provisional title of the paper is VERKALYDSBLADID-STETTABARATTAN and it will appear twice a month. VERKALYDSBLADID [Workers' Paper] is the name of the EIK (ML)'s former main newspaper, while the KFI (ML) previously published STETTABARATTAN [Class Struggle]. The merger of the two papers is part of the struggle for unity between EIK (ML) and KFI (ML) to strengthen the party-building effort in Iceland. Last November, EIK (ML) held its fourth congress. The congress did not set a date for establishing the party but it indicated what the main tasks of the party-building organization must be. Among other things, emphasis was placed on developing concrete policy for the most important questions in the country's class struggle and preparing the organization for war situation. [Text] [Oslo KLASSEKAMPEN in Norwegian 28 Mar 80 p 14] 9336

CSO: 3.08

CISL* VIEWS ECONOMIC TRENDS IN 1980'S

Rome NOTIZIARIO CERES DI ECONOMIA DEL LAVORO** in Italian 16 Jan 80 pp 1-6

[Article by Luigi Frey: "Economic Policy in the 1980's"; passages enclosed in slantlines are printed in italics]

[Text] The OECD's [Organization for Economic Cooperation and Development] latest report "Perspectives Economiques" (December 1979) affirms, obvious though it might seem, that 1979 trends in the industrialized nations have forcefully emphasized the imperatives that: "...economic policy be formulated for the medium term...; ...governments broaden the scope and functions of their instrumentalities...; ...the bonds of international cooperation be strengthened..." (p 10).

Lack of an organic medium-term economic policy renders the industrialized nations highly vulnerable to sudden shocks caused by various internal and external factors (like the recurrent ones related to oil prices), and hinders an attack in depth on roots of the growing problems of inflation, unemployment and underemployment, and of inadequate productive growth from other standpoints, that loom especially threatening at the start of the 1980's.

The outlook for inflation in the absence of such an organic economic policy is far more worrisome than in the recent past. Suffice it to note that the average general price-increase forecast of just 1 year ago [1978] for 1980 and successive years (based on the 10-year average for the period 1966/67-1976/77, as shown in Table 1) has risen from +7 to +9 for the OECD member countries, with particularly high rises (in addition to Italy and the United Kingdom) in France, Ireland, Spain, Portugal, Denmark, and Greece. Among other things, it should be noted that the new inflation forecasts for the start of the 1980's are based on the assumption that the monetary and fiscal policy measures, already moderately restrictive in the second half of 1979, will become gradually more restrictive, to prevent anticipation of future price increases from tending to accelerate inflation, raising it to rates exceeding 10 percent per annum in a larger number of countries over the succeeding years.

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**Biweekly bulletin of the CERES [Center for Economic and Social Research]

Restrictive measures, on the other hand, foster apprehensions of a slowdown in productive growth, with important exacerbating effects on the unemployment problem. In the face of anti-inflationary restrictive measures, it appears very difficult to obtain an overall average productive growth of over +3 percent at constant prices in the OECD member countries as a whole. In 1979, the growth with respect to 1978 was a little over +3 percent (with higher growth rates in Finland, Japan, Austria, Federal Republic of Germany, Sweden and Australia, in addition to Italy), with a lower growth rate during the second half of the year, linked to the "moderate restrictions." For 1980, the forecast promises an increase of only 1 percent in the GNP [gross national product] with respect to 1979, under the negative influence of the unfavorable situational trend in the United States and the United Kingdom (the GNP in both these countries should diminish substantially during the second half of 1980) toward further restrictions on global demand, generated by growing concern with inflation and international monetary uncertainties, and fed by the outlook for further oil and raw materials price increases on the world market, as well as, more generally, by the confused international political situation.

The employment consequences of a productive growth such as that forecast for 1980 are evident from the data presented in Table 2. Despite a barely sustained productivity ratio (in terms of product per employed person) or even a decreasing one, as in the case of the United States and the United Kingdom, employment shows a decided decline or stagnation at best (aside from the case of those countries that tend to rely heavily on tertiary employment and the special case of Japan), while the labor supply should in fact be increasing. /Internationally, the fear is becoming more and more widespread that this state of things may not be linked solely to the situational problems of 1980, but that it is likely to continue into the medium term to the extent that/ (under durable and growing inflation-stressed pressures) /current restrictive economic policies tend to become substantially less momentary/. The recent past has shown that employment growth has been significant either where productive growth has definitely exceeded +5 percent per annum or, more frequently, where reliance has been placed mainly on tertiary occupational growth. This type of growth, however, besides contributing to public debt problems connected with the inflation problem and to other income-distribution problems, /has aroused many misgivings with regard to productivity trends./

/The OECD experts stress heavily in their latest document the danger of an inadequate productivity increase, from the standpoint of productive growth in the 1980's as well as from that of its medium-term effects on employment and income distribution./ From the standpoint of productive growth, more emphasis is being placed now than in the past on the interactive relationships (even though not phased in terms of time) among productivity, productive growth, and creation of capital. It is deemed

that without adequate increases in productivity it is illusory to expect a significant rate of expansion of global production in the 1980's, and that without adequate productive growth over the medium term a new impetus to creation of capital to the point of expanding productive capacity, even though only in terms of hiring additional labor, is equally unlikely.

/Insufficient creation of capital, and the significance this insufficiency can have for the unemployment trend and for the continuation of productive growth over the medium-to-long term, are accorded much more importance today than at the start of the 1970's/.

The available data attesting this insufficiency is rather alarming. While on the one hand the contribution of the public sector (including the public enterprises) to the creation of capital over the past few years appears negligible, private investments appear to have been either stagnant or insignificantly on the increase (see Table 3) when not actually on the decrease (as in the case of Sweden, Italy and the Federal Republic of Germany after 1973). /The absence of creation of private capital is one of the essential characteristics of the structural crisis existent in the industrialized Western European countries since the mid-1970's /. Recent studies have emphasized the role of the risk factor in discouraging investment in long-term fixed capital assets. This would indicate that "heavy" investment has not been lacking but that it has been concentrated more and more on equipment and intermediate materials of limited duration and rapid substitutability, to the detriment of investments involving an out and out expansion of productive capacity. Investor behavior has also been influenced by factors related to the financial structure, and to the availability and cost of financing (the role of which, however, appears complicated and distorted by the inflationary context in which its operation is having to take place, even though it is closely linked to the risk factor). Nevertheless, the factors considered the most significant in the light of events in the second half of the 1970's and looking towards the 1980's are those that condition the "degree of utilization" of productive capacity. /In all of the industrialized countries (including Japan and the Federal Republic of Germany), the "degree of utilization of productive capacity," especially in the manufacturing industries, has been decidedly lower on average and more discontinuous over the period 1974-1979 than over the preceding period 1964-1973/. This fact has undoubtedly deeply influenced the thinking of those in a decision-making position with regard to corporate investments at the start of the 1980's toward considering decisions on the expansion of productive capacity to be far more risky than 10 years ago.

/Seen in this light, the fears appear more clearly justified that persistent resort to policies tending to restrict demand for goods and services can further darken the prospects for "normal" utilization of productive capacity, and hence discourage its expansion even more than in the past/.

/There emerges from this fact the need for an economic policy that is not globally restrictive over the medium term, but that clearly embodies the needed organic program from the very start for maintaining a sufficiently stable and rather high rate of expansion of demand in all the industrialized countries throughout the 1980's/. Lacking a substantially expansive climate, a rekindling of creation of capital is deemed impossible, and, without creation of capital, an expansion of employment not leading to structural imbalances that disadvantage the workers themselves over the long term is also impossible. On the other hand, any attempt to substitute public for private creation of capital, more or less partial though that substitution might be, would only end up further strengthening the need for a substantially demand-expansive climate.

In underscoring the need for an expansive climate in the 1980's, special emphasis is being placed on the interactive relationship involving productivity, productive growth, and creation of capital. There emerges once again, however, the contradiction inherent in capital-creative processes intended to stimulate medium-term increases in productivity, though characterized in important respects, as they must be, by substitution of capital for labor. International discussions and commentaries are revealing a more and more wide-spreading conviction a) that the potential for capital-creation to be accompanied by "labor-complementary" more than by "labor-substitute" aspects can be increased by designing capital investments more to bring about net increases in productive capacity than to merely change the qualitative structure of existing capacity, and b) that the potential for a capital-creative revival to be accompanied by increased employment is closely dependent upon the manner in which the revival is brought about and upon the manner in which the use of labor is programed into the restructuring processes that are to ensue from it.

/On the one hand, therefore, restructurings alone of existing productive capacities would not be sufficient, while on the other hand, however, restructurings carried out with due regard for their effects upon the labor aspects involved would be unavoidable/.

Aside from the fact that this necessitates coordinating economic policy with complex work-management planning (as will be discussed elsewhere), /it is worthy of note here that the very need to expand productive capacity (and hence the need for a demand that will guarantee a high and rising level of utilization of that capacity) strengthens the need for instrumentalities that can influence the direction and content of the restructuring processes/.

In fact, the mere planning of a medium-term economic expansion policy will of itself introduce additional inflationary-type risks, if and to the extent that control cannot be exercised over the many-faceted causes that generate or contribute to inflationary processes over a period of time. This fact imposes the need for an attention to the structuring processes

and to the instrumentalities of economic policy such as will enable them, while operating on the supply side of goods and services, to favor the processes that tend to diminish the effects of certain inflationary causes or that facilitate the expansion of specific demand components having lesser inflationary impact.

Here, the scope and functions of economic policy instrumentalities tend to broaden considerably/. Instrumentalities are needed to strengthen and foster the domestic production of certain goods and services (with due regard also for important aspects of the "quality of life" being demanded by the new generations), together with instrumentalities whose function it is to constrict the demand for certain goods and services with a view to diminishing inflationary tendencies.

These "selective" policies have been emphasized in recent years from the standpoint of new employment and manpower strategies.¹ The related concepts are nevertheless all but clear, partly because their organic implementation requires full and articulated medium-term planning of the productive structures. There is a need to test these concepts that is deemed all the more urgent in the industrialized countries, the more they continue to receive the recommendations of the OECD experts that they implement the structural adjustments imposed on them by the problems of supply and cost of energy products.

/Putting aside for treatment elsewhere the effects of these latter problems on the economic policy lines of the 1980's/ (forthcoming issue no. 3 of the NOTIZIARIO CERES DI ECONOMIA DEL LAVORO will be devoted to the "Energy Outlook and Economic Policy in Italy"), /it is appropriate here to emphasize that the need to renovate economic policy is especially important and urgent in Italy/.

In our country, in fact, the 1980's are beginning in a way that is much more disquieting than in other industrialized nations. Taking the data from OECD sources as a basis (see also Table 4), it is clear that the forecasts for 1980 project a continuation of inflation at a sustained rate following upon its acceleration in 1979, as well as a declining trend (especially in the second half of 1980) in productive growth and internal demand.² Taking data supplied by PROMETEIA [Econometric Forecasting Association of Bologna] (whose founder succeeded Minister of the Budget and Economic Planning Andreotta--see Tables 5 and 6), it is noted that:

a) "double-digit" inflation forecasts, although somewhat more optimistic ones than those of the OECD and more updated ones for the first half of 1980,³ are projected for Italy throughout 1982, representing a profound change from the forecasts of 1 year ago;

b) growth of production and of internal demand in 1981 and 1982 (as well as the investment picture in 1982--see Table 5) should be somewhat more satisfying than in 1980. Nevertheless, these growth rates should be far

higher than the minimum necessary to avoid a gradual exacerbation of the unemployment problem in Italy as we go into the later 1980's. Among other things, the latest forecasts on productive growth are more pessimistic than those of the "3-Year Plan 1979-1981," which were already considered unsatisfactory from the employment standpoint;

c) the employment forecasts for 1980, 1981 and 1982 indicate an upturn owing mainly to the contribution from tertiary activity (especially public administration jobs included in nonmarketable services--see Table 6); this contribution would however be less than that registered in 1979.⁴ Since already in 1979, employment growth failed to offset the increase in manpower availability, so that unemployment/underemployment problems have definitely increased,⁵ it is evident that despite a close interconnection between labor supply and demand, a further increase of these problems is to be expected, with a high degree of probability, in 1980, 1981 and 1982 based on the production, internal demand and employment forecasts such as they are.

/In the case of Italy, moreover, the fact cannot be ignored that exacerbation of the employment problem is characterized by its own peculiarly grave sociopolitical aspects because of the territorial concentration in Southern Italy of the existing "backlog" of unemployment/underemployment and foreseeable increases in manpower availability during the 1980's, entirely aside from the migratory workers sector/.

Reliable updated forecasts are unavailable as to the expected evolution of employment in Southern Italy consistent with the above national forecasts. However, studies made in the past based on various forecast chartings⁷ lead to the conclusion that, based on the new chartings, the current outlook for employment in Southern Italy during the early 1980's could be much worse than the forecast of 1 year ago.

The forecasts developed by the CONFINDUSTRIA [General Confederation of Italian Industry] based on data compiled as of mid-1979 (see Table 7) for a substantial portion of the industrial sector reflect an increase in manufacturing employment in Southern Italy slightly inferior to the increase that was forecast 1 year before, despite an increase in production that was slightly greater than that forecast; this was especially true in the mechanical industries. While forecasting a further increase in manufacturing employment and an expansion in the construction sector that is anything but negligible (insofar as concerns, however, only those enterprises studied, which did not include many small and very small productive units), the same source foresees an industrial employment growth in Southern Italy in 1980 slightly less favorable than in 1979, despite a substantial productive expansion in the mechanical sector and in the manufacture of chemical fibers (decidedly being restructured) in the Southern region (see Table 7).

Going beyond considerations of specific sectors, analysis of the data provided by the CONFINDUSTRIA focuses attention on the expected growth of productivity in the near term. The PROMETEIA foresees the following growth rates in industry, in terms of product per hour worked: +3.4 percent from 1978 to 1979; +2.2 percent from 1979 to 1980, +3.4 percent from 1980 to 1981, and +3.1 percent from 1981 to 1982; and in terms of product per employed person (still with regard to industry): rates ranging between +1.5 percent and +4 percent depending on the year. The CONFINDUSTRIA's data places average growth rates in industry over the next few years around +4 percent in terms of product per employed person; however, based on the performance of the second half of 1979 and on studies of past performances, there is reason to believe this rate could apply to product per hour worked rather than per person employed, provided the average hours worked per person do not vary widely in relation to sudden variations in degree of utilization of productive capacity.

This opens an extremely important avenue of thought, from the standpoint of delineating selective policies relating to the productive structures, as well as from the standpoint of discussing the employment outlooks for Italy and Southern Italy in an economic policy context differing from the one on which current forecasts are being based. As is evident in part from a study of 1979 performance and of the 1980 forecasts published by the OECD (see Table 6), Italy was able to realize within the system a productivity growth rate over the last few years clearly better than that of any other industrialized country (except Japan) and in line with that of the Federal Republic of Germany, despite the considerable expansion in tertiary employment that renders the 1970's noncomparable with the 1960's. One might well ask to what extent this may have been related to the restructurings that have taken place in the manufacturing industries, what the prospects are that something similar could take place in the near future within the current economic policy context and without substantial modifications to it, what possibilities may exist for structural modifications in the 1980's to obtain better employment results than those being forecast in industry and especially in Southern Italy.

Questions of this nature again pose the need for devoting serious thought to the derivable relationships possible, in diverse medium-term economic policy contexts, among productivity, capital-creative and employment growth rates in Italy in the 1980's. An effort will be made in forthcoming CERES publications to generate such thought, commencing with the next issue of the NOTIZIARIO CERES DI ECONOMIA DEL LAVORO, which, among other things, has acquired urgency with CONFINDUSTRIA's recent document on Italy's energy and economic policies, published under the title "A Challenge to Capital Creation for the Nation's Future."

FOOTNOTES

1. It may be helpful to recall the report by the OECD experts titled: "A Medium Term Strategy for Employment and Manpower Policies," Paris, 1978.
2. The OECD data, compiled in the Fall and published toward the end of November 1979, probably should be adjusted to show a little higher rate of inflation going from 1979 into 1980 and a slightly more favorable production growth, especially as regards industrial production.
3. Here again, the date of publication of the forecasts is November 1979.
4. It should be noted that (as can be seen the Table 4 contained in TENDENZE DELLA OCCUPAZIONE, No. 1-2, Jan-Feb 1980) the annual-averages data that have been compiled based on ISTAT [Central Statistics Institute] surveys of the work forces indicate an employment increase in Italy from 1978 to 1979 of +248,000 units, of which only +19,000 units pertained to industry (versus the +115,000 forecast by PROMETEIA) and +247,000 to services (versus the +164,000 shown in Table 6).
5. See again the issue of TENDENZE DELLA OCCUPAZIONE cited in the preceding footnote.
6. TENDENZE DELLA OCCUPAZIONE, No. 9-10, Sept-Oct 1979 contains statistics and commentaries on the labor supply outlook for the 1980's, with particular regard for Southern Italy.
7. See, in addition to the issue cited in the preceding footnote, also TENDENZE DELLA OCCUPAZIONE No. 5-6, May-Jun 1979 devoted to "The Employment Problem Outlook in Southern Italy."

TABLE 1 - Price Indexes Used to Calculate National Income in some OECD Member Countries (annual percentage variations from one year to the next or from one period to the next)

	(1) Media annua del 1966-77 al 1976-77		Ripetto all'anno precedente				(3) Ripetto al semestre precedente			
	1976	1977	1978	1979	1980	1981	1978	1979	1980	1981
(6) Italia	+10.0	+10.3	+15.5	+16.8	+13.7	+15.3	+18.0	+17.3	+14.3	+14.3
(7) Stati Uniti	+5.8	+7.3	+9.0	+8.5	+8.4	+9.2	+9.0	+10.0	+9.5	+9.5
(8) Giappone	+7.5	+4.8	+3.3	+5.8	+4.7	+1.2	+6.5	+5.5	+5.8	+5.8
(9) Germania Federale	+5.1	+3.9	+3.8	+4.5	+4.7	+2.9	+5.0	+4.5	+3.8	+3.8
(10) Francia	+7.8	+8.9	+10.3	+11.0	+11.0	+10.2	+8.8	+11.3	+12.3	+12.3
(11) Regno Unito	+10.5	+10.3	+14.3	+18.5	+10.2	+11.5	+24.0	+14.0	+14.0	+14.0
(12) Canada	+7.1	+6.4	+8.5	+9.0	+6.2	+9.8	+9.0	+9.0	+9.0	+9.0
(13) Totale dei 7 Paesi	+8.8	+7.1	+8.0	+9.0	+7.8	+7.3	+9.3	+9.3	+8.8	+8.8
(14) Altri Paesi dell'Ocse	+8.1	+9.2	+8.5	+9.0	+8.5	+8.4	+8.8	+8.3	+8.5	+8.5
(15) Totale Ocse	+7.0	+7.4	+8.0	+9.0	+7.9	+7.5	+9.3	+9.3	+8.8	+8.8

(16) Fonte: Ocse, « Perspectives Economiques », n. 26, dicembre 1979, p. 98.

Key:

1. Annual average from 1966/67 to 1976/77
2. With respect to preceding year
3. With respect to preceding half-year
4. Second half
5. First half
6. Italy
7. United States
8. Japan

9. Federal Republic of Germany
10. France
11. United Kingdom
12. Canada
13. Total of the 7 countries
14. Other OECD countries
15. Total OECD
16. Source: OECD publication PERSPECTIVES
ECONOMIQUES, No. 26, Dec 1979, p. 98

TABLE 2 - Employment and Productivity in some OECD Countries (annual percentage variations, seasonally adjusted)

	(1) In reports all time procedures					(2) In reports at seasons procedures				
	(3) Media 1963-1973		(3) Media 1973-1980			1978		1979		
						Employment	Product	Employment	Product	
(6) Italia	- occupazionali (7) - 0.6	+0.9	+0.6	+0.5		+1.0	+0.5	+0.2	+0.5	+0.5
— prodotto per occupato (8) + 5.4		+1.6	+2.0	+3.5		+3.6	+2.8	+4.0	+1.3	+0.8
(9) Stati Uniti	- occupazionali (7) + 2.2	+2.0	+4.2	+2.5		+3.4	+1.0	+2.8	+1.0	0
— prodotto per occupato (8) + 1.9		-0.1	+0.1	-0.5		+1.7	-0.8	-1.4	-2.5	+0.3
(10) Giappone	- occupazionali (7) + 1.4	+0.8	+1.2	+1.5		+0.4	+1.3	+2.0	+1.2	+0.3
— prodotto per occupato (8) + 0.7		+3.4	+4.3	+4.5		+3.8	+5.0	+4.7	+3.5	+3.0
(11) Germania Fed.	- occupazionali (7) 0	-0.8	+0.6	+0.5		+0.7	+0.8	+0.4	-0.5	-1.0
— prodotto per occupato (8) + 4.6		+3.1	+2.9	+3.5		+4.5	+3.0	+3.5	+2.3	+2.5
(12) Francia	- occupazionali (7) + 0.9	+0.1	+0.2	0		+0.4	0	0	0	0
— prodotto per occupato (8) + 4.6		+2.6	+3.1	+3.0		+2.4	+3.0	+3.0	+1.8	+1.5
(13) Regno Unito	- occupazionali (7) - 0.1	0	+0.4	+0.5		+0.8	+0.5	+0.4	-1.3	-1.8
— prodotto per occupato (8) + 3.0		0	+2.2	-0.8		+1.9	-3.3	-0.9	-2.0	+1.0
(14) Canada	- occupazionali (7) + 3.3	+2.6	+3.3	+3.8		+3.9	+2.8	+4.0	+1.3	+1.0
— prodotto per occupato (8) + 2.4		+0.3	+0.1	-1.0		0	-2.3	-0.8	+0.5	+1.0

(15) Fonte: cfr. tab. 1, p. 28.

Key:

- | | |
|--|------------------------------------|
| 1. With respect to preceding year | 9. United States |
| 2. With respect to preceding half-year | 10. Japan |
| 3. Average | 11. Federal Republic of Germany |
| 4. Second half | 12. France |
| 5. First half | 13. United Kingdom |
| 6. Italy | 14. Canada |
| 7. Employment | 15. Source: Same as Table 1, p. 28 |
| 8. Product per employed person | |

TABLE 3 - Evolution of Private Investments in some OECD Countries (percentage changes)

	(a) Tassi di crescita media annua		(b) Parte degli investimenti in impianti macchinari e attrezzature a prezzi costanti sul totale degli investimenti privati (1)				
	1968-1973	1973-1978	1980	1988	1973	1978	
(c) Italia	+ 4,8	- 1,2	38,8	37,6	48,7	48,8	
(d) Stati Uniti	+ 4,9	+ 0,7	38,9	43,8	44,9	48,9	
(e) Giappone	+ 14,3	0	50,0 (2)	51,7 (2)	53,7 (2)	55,6 (2)	
(f) Germania Federale	+ 4,2	- 0,2	34,7	39,1	42,9	48,8	
(g) Francia	+ 7,2	+ 0,2	43,6	46,1	50,3	52,5	
(h) Regno Unito	+ 4,0	+ 3,5	47,4	48,7	51,3	52,3	
(i) Canada	+ 6,0	+ 2,4	34,1	37,7	40,0	41,3	
(j) Svezia	+ 4,1	- 2,8	40,6	41,9	48,3	47,2 (2)	

(1) The figures are not entirely comparable. For France, United Kingdom, Italy and Sweden, investments in plants, machinery and equipment are expressed in terms of percentage of gross creation of fixed capital assets in industry, assuming there are no public investments in plants, machinery and equipment.

(2) For Japan, figures are based on fiscal year.

(3) This ratio reached almost 52 percent in 1977.

Source: Same as Table 1, p 21

Key:

a. Average growth rates per annum

b. Ratio of investments in plants, machinery and equipment at constant prices to total of all private investments (1)

c. Italy

d. United States

e. Japan

f. Federal Republic of Germany

g. France

h. United Kingdom

i. Canada

j. Sweden

TABLE 4 - Behavior of Basic Variables in Italy's National Economic Accounts from 1978 to 1980
(annual percentage variation rates, seasonally adjusted, at 1970 prices)

	Miliardi di lire nel 1978 a prezzi correnti	(b) In rapporto all'anno precedente				In rapporto al trimestre precedente			
		1978		1979		1978		1979	
		I semestre		II semestre		I semestre		II semestre	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
(f) Consumo privato	135 347	+ 2,6	+ 4,0	+ 2,0	+ 3,6	+ 4,8	+ 3,0	+ 2,0	+ 1,5
(g) Consumo pubblico	36 303	+ 3,5	+ 2,5	+ 2,5	+ 3,9	+ 1,9	+ 2,5	+ 2,5	+ 2,5
(h) Formazione lorda di capitale fisso	41 406	- 0,4	+ 3,8	+ 2,0	+ 5,5	+ 3,7	+ 2,3	+ 2,0	+ 1,5
(i) o Settore pubblico (comprese le imprese pubbliche)	11 387	- 6,2	- 3,5	- 1,3	...	...	...	...	...
(j) o Settore privato: costruzioni	9 627	+ 2,0	+ 1,5	+ 0,8	+ 2,9	+ 1,4	0	+ 0,5	+ 1,8
(k) o Settore privato: altri	20 392	+ 1,9	+ 9,0	+ 4,0	...	...	...	...	...
(l) o Investimenti in impianti, macchine ed attrezzature	17 137	- 1,9	+ 6,0	+ 3,0	+ 8,5	+ 8,0	+ 4,0	+ 3,0	+ 2,0
(m) Domanda interna finale	213 058	+ 2,2	+ 3,8	+ 2,3	+ 4,0	+ 4,1	+ 2,8	+ 2,0	+ 1,8
(n) + variazione delle scorte (1)	1 854	- 0,6	+ 0,8	- 0,5	+ 1,6	+ 0,6	- 0,5	- 0,5	- 1,0
(o) + variazione della bilancia delle operazioni correnti (1)	5 833	+ 1,1	- 0,3	+ 0,5	- 0,7	- 0,2	+ 0,3	+ 0,3	+ 0,8
(p) Prodotto interno lordo al prezzi di mercato	220 743	+ 2,6	+ 4,0	+ 2,0	+ 4,8	+ 4,2	+ 3,3	+ 1,8	+ 1,8
(q) Esportazioni	-	+ 11,0	+ 7,5	+ 4,3	+ 11,8	+ 5,7	+ 6,5	+ 3,0	+ 3,3
(r) Importazioni	-	+ 8,7	+ 11,0	+ 3,6	+ 22,3	+ 8,4	+ 6,5	+ 3,0	+ 2,0
(s) Indici dei prezzi impliciti per il calcolo del prodotto interno lordo	-	+ 13,3	+ 15,5	+ 10,8	+ 13,7	+ 15,3	+ 18,0	+ 17,3	+ 14,3
(t) Indici dei prezzi al consumo non stagionalizzati	-	+ 12,1	+ 14,8	+ 16,5	+ 11,4	+ 15,2	+ 17,3	+ 17,5	+ 13,5
(u) Indici della produzione industriale	-	+ 1,9	+ 5,0	+ 2,5	+ 6,4	+ 5,1	+ 4,0	+ 2,3	+ 1,5
(v) Formazione delle scorte (in miliardi di lire a prezzi costanti 1970)	-	465	1 100	800	390	500	600	500	300

(1) In percent of preceding period's GNP

Source: Same as Table 1, pp 115 and following.

[Key on next page]

Key [to Table 4 on preceding page]:

- a. Billion lire in 1978 at current prices
- b. With respect to preceding year
- c. With respect to preceding half-year
- d. Second half
- e. First half
- f. Private consumption
- g. Public consumption
- h. Gross fixed capital creation
- i. Public sector (including public enterprises)
- j. Private sector: construction
- k. Private sector: other
- l. Investments in plants, machinery and equipment
- m. Domestic final-product demand
- n. Inventory variations (1)
- o. Current account balance variations (1)
- p. GNP [gross national product] at market prices
- q. Exports
- r. Imports
- s. Price indexes used in calculating the GNP
- t. Consumer price indexes, not seasonally adjusted
- u. Industrial production index
- v. Creation of inventories (in billions of lire at constant 1970 prices)

TABLE 5 - PROMETEIA Forecasts on Basic Economic Variables in Italy's National Accounts from 1979 to 1982 (percentage variation rates)

	Prodotto interno lordo	Consumi delle famiglie	Consumi collettivi	Investimenti (4) in miliardi di lire		Esportazioni merci e servizi	Importazioni merci e servizi	Variazioni scorte (miliardi di lire a prezzi 1970)
				Totale	in attrezzature			
(11) Variazioni annue rispetto all'anno precedente								
(12) 1979 - a prezzi costanti	+ 3,8	+ 5,1	+ 2,0	+ 2,6	+ 3,3	+ 5,7	+ 12,3	1.010
(13) prezzi impliciti	+ 15,3	+ 14,6	+ 19,9	+ 10,9	+ 17,0	+ 14,1	+ 15,5	—
(12) 1980 - a prezzi costanti	+ 1,6	+ 2,0	+ 2,5	—	+ 0,2	+ 2,7	+ 1,1	600
(13) prezzi impliciti	+ 15,2	+ 16,1	+ 15,0	+ 17,4	+ 16,5	+ 14,5	+ 17,1	—
(12) 1981 - a prezzi costanti	+ 3,3	+ 2,9	+ 1,8	+ 1,6	- 0,2	+ 6,9	+ 5,8	810
(13) prezzi impliciti	+ 12,2	+ 11,8	+ 14,9	+ 12,5	+ 11,9	+ 10,6	+ 10,0	—
(12) 1982 - a prezzi costanti	+ 2,8	+ 2,8	+ 1,9	+ 4,0	+ 8,1	+ 7,1	+ 8,2	950
(13) prezzi impliciti	+ 11,3	+ 12,4	+ 8,1	+ 12,6	+ 11,7	+ 9,8	+ 9,7	—

(14) Fonte: Prometeia, Rapporto di previsione, Bologna, novembre 1979.

Key:

1. GNP
2. Domestic family consumption
3. Total consumption
4. Gross fixed investments
5. Total
6. Machinery and equipment
7. Construction
8. Exports of goods and services

9. Imports of goods and services
10. Inventory changes (billion lire at 1970 prices)
11. Annual variations with respect to preceding year
12. [Year] - at constant prices
13. - implicit-deflated prices
14. Source: PROMETEIA publication RAPPORTO DI PREVISIONE, Bologna, November 1979

TABLE 6 - Employment in Italy from 1979 to 1982 according to
PROMETEA Forecasts (thousand units)

	1979	1980	1981	1982
(1) Dati assoluti				
(2) Agricoltura	1.103	1.062	1.019	994
(3) Industria in senso stretto	5.171	5.217	5.260	5.305
(4) Costruzioni	1.446	1.411	1.383	1.365
(5) Servizi vendibili	3.949	3.988	4.010	4.036
(6) Servizi non vendibili	3.038	3.123	3.208	3.295
(7) Occupazione dipendente totale	14.709	14.801	14.880	14.995

(8) Fonte: cfr. tab. 4.

Key:

1. Absolute statistics
2. Agriculture
3. Industry strictly speaking
4. Construction
5. Marketable services
6. Nonmarketable services
7. Total employment
8. Source: Same as Table 4

TABLE 7 - Behavior of Industrial Production and Employment in Italy and Southern Italy from 1977 to 1979 by Sector and Class of Industry, according to CONFINDUSTRIA Surveys (annual percentage rate variations)

Rami e classi di industrie (1)	(2) Italia					(3) Mezzogiorno				
	(4) Produzione		(5) Occupazione		(6)	(4) Produzione		(5) Occupazione		(7) Occupazione
	dal 1977 al 1978	dal 1978 al 1979	dal 1977 al 1978	dal 1978 al 1979		dal 1977 al 1978	dal 1978 al 1979	dal 1977 al 1978	dal 1978 al 1979	
(7) Manifatturiere	+ 2,3	+ 4,5	+ 2,3	- 0,3		+ 2,9	+ 5,4	+ 4,8	+ 0,2	+ 1,5
(8) — alimentari e affini	+ 6,0	+ 4,4	+ 1,7	+ 1,0		+ 3,7	+ 6,2	+ 5,3	+ 1,5	+ 0,4
(9) — tabacco	- 4,9	+ 2,1	—	+ 0,7		- 8,7	+ 6,0	—	+ 1,5	+ 1,3
(10) — tessili	+ 3,3	+ 4,9	- 4,0	- 0,0		+ 3,7	+ 0,5	- 3,7	- 5,3	- 0,9
(11) — vestiario, abbigliamento, calzature, pelli e cuoio	- 0,8	+ 1,2	- 3,1	- 1,0		- 0,5	+ 4,5	+ 0,9	- 1,8	+ 0,7
(12) — legno, mobilio e arredamento	- 4,5	+ 7,7	+ 3,2	- 0,8		- 3,4	+ 10,0	+ 3,3	- 1,1	- 0,8
(13) — metallurgiche	+ 0,2	+ 4,0	+ 2,8	- 0,7		- 0,8	+ 12,7	+ 4,8	+ 1,0	+ 1,6
(14) — meccaniche	+ 2,5	+ 5,7	+ 5,3	+ 0,4		+ 4,5	+ 2,4	+ 7,1	+ 1,8	+ 0,8
(15) — mezzi di trasporto	+ 3,4	- 0,5	+ 4,5	+ 4,2		- 2,5	+ 10,2	+ 7,8	+ 5,5	+ 8,6
(16) — materiali da costruzione	- 2,4	+ 1,1	+ 4,1	- 3,8		- 3,3	+ 0,9	+ 6,9	- 5,4	- 1,0
(17) — chimiche	+ 7,1	+ 4,9	+ 6,0	- 0,5		+ 15,7	+ 5,4	+ 6,3	—	—
(18) — farmaceutiche	+ 1,1	- 0,9	+ 0,4	- 0,2		+ 2,0	—	+ 0,4	- 0,1	+ 0,8
(19) — derivati dal petrolio e dal carbone	+ 5,0	- 1,0	+ 1,9	- 0,1		+ 8,2	- 1,7	+ 1,5	- 0,8	+ 1,2
(20) — trasformatrici della gomma	- 3,0	+ 6,1	- 4,6	- 1,5		- 3,0	+ 9,6	+ 1,6	+ 3,6	+ 3,3
(21) — produttrici di fibre chimiche	+ 3,2	+ 1,8	+ 3,4	- 3,5		+ 7,1	+ 5,4	+ 7,5	- 9,7	- 2,4
(22) — cartarie, poligrafiche, cartotecniche, trasformatrici della carta e del cartone	+ 8,5	+ 5,1	+ 0,2	+ 0,9		+ 9,0	+ 6,4	+ 1,0	+ 2,8	+ 5,1
(23) — fonocinematografiche	- 23,0	+ 13,7	+ 7,3	- 22,3		+ 6,6	+ 7,3	+ 6,8	—	—
(24) Costruzioni edili e installazione impianti	+ 1,1	+ 1,6	+ 2,5	+ 0,8		+ 1,2	+ 2,1	+ 3,4	+ 0,8	+ 2,0
(25) Elettriche, del gas e degli acquedotti	+ 5,2	+ 5,7	+ 8,4	+ 0,4		+ 4,0	+ 6,3	+ 8,0	+ 1,1	+ 0,5

(26) Fonte: Confindustria, *Le prospettive dell'industria italiana nel biennio 1979/80*, S.I.P.I., Roma, novembre 1979.

[Key next page]

Key [to Table 7 on preceding page]:

1. Industry sector and class
2. Italy
3. Southern Italy
4. Production
5. Employment
6. From [year] to [year]
7. Manufacture
8. Foodstuffs and related items
9. Tobacco
10. Textiles
11. Clothing, apparel, footwear, furs and leathers
12. Lumber, furniture and furnishings
13. Metalworking
14. Mechanical
15. Transport equipment and vehicles
16. Construction materials
17. Chemicals
18. Pharmaceuticals
19. By-products of petroleum and coal
20. Rubber-base products
21. Chemical fiber production
22. Papermaking, polygraphy, manufacture of paper and cardboard articles, paper and cardboard transformation
23. Sound and film industries
24. Building construction and plant installation
25. Electrical, gas and water supply
26. Source: CONFINDUSTRIA publication "LE PROSPETTIVE DELL'INDUSTRIA ITALIANA NEL BIENNIO 1979/80, S.I.P.I., Roma, November 1979

PCI CC ANALYZES PROBLEMS OF PARTY ORGANIZATION

Rome L'UNITA in Italian 19 Apr 60 pp 1, 17

[Article by Fausto Ibba: "How Is a Communist leader Produced Today?"]

[Text] Rome--"A student knows how to make a speech, and he costs less." Those are the words Luciano Gruppi used to explain, with brutal frankness, certain imbalances in the social composition of the leadership groups of the communist organizations. The PCI [Italian Communist Party] is still the only Italian political party that has strong ties with the working class. Forty percent of its members are workers and approximately 30 percent of its section leaders, whereas 23 percent of the membership of the secretariats of the federations are of worker origin. It is a presence that is anything but negligible. (Suffice it to reflect on the widespread presence of intellectual cadres in analogous leadership organs of the union, which nonetheless functions in the very midst of the everyday reality of the labor scene.)

There is a tendency, however, for the worker component to diminish while at the same time--in the ranks of the younger communist leaders--there has been an enormous increase in the number of cadres of student origin who have had no previous work experience. This phenomenon is most noticeable in the South, where concentrated industrial development did not take place until the past decade.

It is true that "a student costs less." When certain workers decide to devote themselves to political activity within the party they must be content with a stipend that is in some cases even less than 300,000 lire per month. It is true that one's educational level is today a more important factor in the successful performance of the tasks of political leadership, although it is certainly not sufficient merely "to know how to make a speech."

Difficult Subject

The problem of selecting the leadership cadres represents in effect an intersection of various decisive questions in the recent history of the PCI together with the traces of the changes that have taken place in

Italian society and doubts as to the very ability of the labor movement to cope with tasks that are largely unprecedented.

It is therefore a difficult subject for discussion. The fifth committee of the Central Committee dealt with this subject at its most recent meeting and carried out a systematic analysis of the party's organizational problems.

The question with respect to the leadership cadres (report by Gianni Giadresco) was studied together with the question of internal democracy (report by Angelo Oliva).

What are the characteristics of the PCI cadres today?

The social composition (to which we made reference at the outset) is significant, but it is only one aspect of the problem. Until the mid-1960's the majority of the leadership cadres were chosen in the context of their direct participation in the mass struggles of the workers. They often were cadres who had excelled by virtue of their capacity for leadership, their resoluteness and their spirit of sacrifice.

The qualities of a leader were accordingly measured on the basis of his ability to relate to the workers--to be receptive to their orientations, interests and tendencies. The union--and the other mass organizations--both provided cadres and received cadres.

All this took place in a very homogeneous environment. These circumstances changed radically when the rigid ideological barriers fell; the workers' movement experienced a great leap forward and trade union unity was achieved. The decisive importance of these developments is of course not in question. As many speeches emphasized, however, the system based on the principle of the "incompatibilities" existing between trade union responsibilities and party responsibilities has impoverished both the parties of the left and the union.

An Important Relationship

The student movement, the extraparlimentary movements and the groups of the Catholic sector have been the new channels through which the successive contingents of PCI leadership cadres have come. An experience that left its mark on such a large segment of the post-1968 generations has been grafted onto the communist organizations. There is one serious limitation, however: the training of the communist cadres has been losing some of its characteristic features and worker representation has gradually decreased, as the presence of persons from the world of agriculture, the handicrafts sector, and the productive sector of the middle class has likewise diminished.

Since 1975, moreover, many leaders--often the most popular among them--have assumed administrative duties. The repeated electoral victories have meanwhile lent credence--in certain party circles--to the concept that the political struggle is merely the result of spontaneous movements within society itself--of swings in public opinion.

These shortcomings came to light following the policy shift of 1976, when the domestic and international policy of the PCI had to contend with responsibilities that were absolutely new. Moreover, the nationwide conflict has featured dramatic tensions that are without precedent. If this relationship is lost sight of (as every speech warned about in some fashion) the resulting critical analysis is liable to be transformed almost into censure of the new generation.

It was pointed out that selection of the cadres must in the future be based on decisions taken jointly by the leadership organs and also on an authentic verification of abilities, attitudes and accomplishments. It was proposed that a contingent of cadres be selected from the productive activities--worker cadres, most importantly, and women's cadres. Women, in fact, make up one-quarter of the PCI membership but are not proportionately represented in the leadership organs. At the same time, it was stated that there is a need for bringing about--in the party leadership organs and apparatus--an effective fusion among diverse experiences, among comrades of diverse origin. It was also requested that renewed attention be devoted to training activities--at least as much attention as is accorded to the selection of the cadres.

To ensure that the correct selection is made, it is essential that internal democracy be fully exercised and that publicity be given to the debate in accordance with the new criteria established by the 15th Congress.

If, however, there is not a sufficient capacity for leadership and for political synthesis (here you have an old truth rediscovered in practice), the discussion will remain an end in itself: it will lead neither to decisions nor to initiatives, and as a result there will be no forum in which to engage in a critical review. As the result of an investigation--Oliva said--it was discovered that during the year the Federal Committees met repeatedly with "an examination of the political situation" as their agenda. Without a precise objective, the debate under these circumstances frequently devotes all its energies to repetitious discussions of a general nature. Who could help being bored?

Comrade Adriana Seroni was the most forthright of all. "You often find yourself," she said, "participating in tedious meetings with interminable introductory speeches--meetings in which nothing is decided. When I think of many aspects of our political activities I wonder how workers--let alone women--can participate in them. There is the danger that as a result politics will be conducted only by government employees or the unemployed. Here we find--among other things--a lack of understanding of certain new

'existentialist needs.' Any reform of our internal affairs--if it is to be a serious effort--must be the subject of political controversy. It cannot consist either of a moralistic sermon that will fall on deaf ears or a hearkening back to 'the way we were,' she said.

On the other hand--according to Paolo Spriano--"it is not entirely obvious that the party as a whole agrees on the necessity of providing for a more substantial worker presence in the leadership organs." Nonetheless, he said, if "we do not continue to hold fast to a type of party that has its roots firmly established among the workers, it is useless even to think it will be possible to reorganize the labor movement on either the domestic or the European level." There is also, he said, a need for specific cultural instruments to develop worker awareness, and for a press that is capable of addressing itself to the workers, while "political resistance--even class resistance--to simplicity in language has been observed."

Verdini is of the opinion that as the party grew it was enriched by new components, and synthesis became more difficult. He said there has frequently been a "decline of the political leadership to the level of brokering wages." He said this has been reflected in the selection of the cadres and that it is now a question of giving the party the perception of a reversal of tendency.

Is there not, however, a definite danger that all these problems will be turned over wholesale to the new contingents of leaders? That is what Comrade Birardi wondered. "We have realized," he said, "the importance of having a policy with respect to the cadres, but the replacements were forced upon us by the breadth of the responsibilities we had to assume in the nation. It is therefore necessary," he said, "to avoid making unilateral judgments, as if all the difficulties of the past 3 years could be traced back to the replacement of the leadership cadres." This is all the more true (according to Piero Borghini, Zagatti and Chiti) in that this new breed of cadre--faced with the enemy counteroffensive--has unquestionably demonstrated "staying power."

In Borghini's opinion, however, if emphasis is placed on the problem of the worker cadres it may introduce a dangerous element that will tend to distort the political struggle within the party. He said the degree of "worker centrality" is gauged essentially on the basis of the policy line.

Many phenomena that involve the party are unquestionably traceable to changes in social customs. The number of places where politics is conducted has multiplied, and there has been a "decline in the degree of cohesiveness with respect to goals and principles." These concrete data, however--as Ranieri stated--cannot be converted into alibis for laziness on the part of the leadership groups. There has, in fact, been a decrease in the attention given to organizational questions. It is now a question of bringing a measure of order, especially in the South. It is a task concerning which we can obtain a more definite consensus at a moment when the polemic element in our discussions concerning the "party structure" is

losing its impact because of the violence supplied in this area by certain of our opponents.

This investigation by the fifth committee--Giorgio Napolitano said in the concluding address--"is leading continuously to the adoption of orientations and decisions of immediate utility for the activities of the party, accompanied by proposals for monitoring their actual implementation." Within the next few months two other topics will be taken up: "the party in the workplace" and "the party in the South."

When the problem of the leadership cadres is analyzed--Napolitano said--it will undoubtedly be necessary to guard against destructive opinions or "generational" judgments. It is essential, however, to be aware of the fact that "we are encountering a basic difficulty in connection with the consolidation of our organized strength," he said. There are signs of attrition even in the regions where our organization is most highly ramified. It is a problem that is different from those of the past, because--he said--"our policy--our ability to move our policy forward--has reached a critical point." It is a surprising fact that approval of our international and domestic policy is greater among the masses of workers who replied to the election questionnaires than it is at party meetings. What are the influences to which a part of our cadres are disproportionately susceptible?

In conclusion, there is a problem of political and cultural clarification that will involve stringent improvements in the process of selecting the cadres, in the manner of conducting politics, in relations with the people, in our internal democracy, and in our very language.

10772

CSF: 3104

AGRICULTURAL PROBLEMS AFFLICTING THE SOUTH

Rome IL FIORINO in Italian 13 Apr 80 p 4

[Article: "Development of the South: Always Concern for Industry but Agriculture Always Forgotten"]

[Text] In dealing with the problems of the south, the large communication media such as the press, radio and television, call attention of public opinion above all to those that appear, perhaps dramatically, in the industrial sector. The myth of industrialization of the south is still alive in recriminations over goals not achieved and shattered hopes. The problems of southern agriculture have remained in the shadows from the time when, 20 or more years ago, the great exodus began from the farms of the south, thus resolving the most painful situations created by the hunger for land and large areas of unemployment. From that time, southern agriculture, even as a result of aid by the Fund for the South in extending irrigated areas, progressed notably by overcoming the trauma of its insertion into a large European Common Market. Today, however, hanging over it is the threat of the consequences of an enlargement of the community to include such nations as Greece and above all Spain which, due to lower costs of production--mainly as a result of lower labor costs--can offer strong competition to a large part of our Mediterranean production located in the south. This is not only a problem of the south and still less is it only an agricultural problem: The entire nation must be informed of the new realities that must be faced without fail.

This is the cry of alarm launched by a large number of southern farmers who met at Salerno to break the isolation into which they have been relegated. During the impressive demonstration, speeches were made by the director general of Confagricoltura [Agricultural Confederation], Rinaldo Chidichimo; the president of the Rural Federation of Farmers, Leonardo Mustilli, and agriculture councillor of the Campania region, Michele Pinto.

The Regional Problems

In opening the conference on "The South and Agriculture Today," Mustilli effectively traced the central aspects of the serious problems which afflict not only the Campania farmers but also those of other southern regions.

Councillor Pinto gave the greetings of regional authorities, who are committed in a strong effort to renew rural agriculture through planning methods: A new experiment. This involves great difficulty and it requires more active participation of agricultural businessmen.

Rinaldo Chidichimo expressed the active concern of all Italian farmers over the unbearable situation created in the increasingly unbalanced relationship between costs which are pushed higher by inflation, and income which is limited by the community deflationary policy applied to agricultural products. He emphasized that there are other sources of concern expressed by the protests of southern farmers. Recently at Piacenza, 10,000 farmers in the Padana Valley, following a talk by Federal President Serra, expressed directly to Minister Marcora the reasons for the serious discontent spreading through the farm areas. The minister testified to the merits, as well as the difficulties, pertaining to agricultural production. Another demonstration will be held in a few days at Lecce, to put the focus on reasons for the worsening economic condition of the southern agricultural institutions at this time. In "the framework of demands" for the south, it is necessary to consider the very long delay required for the appropriation of community aid: Not only for price subsidies for olive oil and hard wheat. In like fashion it is necessary to denounce the absurdity of the higher cost of money even for loans and agrarian credit mortgages, as well as the insufficiency of available financial means.

At this time the greatest source of preoccupation, however, is the risk involved, particularly for Mediterranean production, in the admission already agreed upon of Greece and the expected admission of Spain. These are two direct competitors who can count on considerably lower costs of labor and, especially in the case of Spain, on a sales organization for exports which has been largely subsidized by public aid.

The director general of Confagricoltura said in this regard that we do not limit ourselves to pointing to the problems that the southern economy may be subjected to due to the selection dictated by political reasons which involve the entire community and the entire Mediterranean basin. However, we do not want to see a situation in which our still-weak southern agricultural economy suffers the consequences of such an undertaking.

Irrigation plans are ready to be implemented that can involve 500,000 hectares, and that will require investments, including agricultural investments, for efficient use of such water resources. Therefore, projects are needed, including integrated projects, to create necessary civic and economic infrastructures in support of agriculture. The Fund for the South conceived as a "development bank" can exercise a determining weight in the solution of these problems and provide aid to the increasingly more committed work expected of the regions.

More generally, if the European Community has been the concerned mother for the wheat producers and livestock raisers of continental Europe, it has seemed to be the careless stepmother for the agricultural producers of the

south. Concerning them, there was above all a lack of understanding of the real conditions in which they should have carried out and achieved community policy. The so-called "Mediterranean package" was a delayed attempt to heal a situation that was already seriously unbalanced between the favor granted to continental production and the "compensations" granted to Mediterranean production.

There was a complete lack of understanding by those responsible for the common agricultural policies of the three different realities of southern agriculture: That of the more evolved, irrigated, areas with technically advanced production; that of areas which still have not been able to exploit new water resources and are deeply committed in a phase of crop reconversion; finally, that of the internal, hilly and mountainous areas, to be rehabilitated according to new economic and social norms, and which are now even threatened with becoming deserts.

Lack of Political Understanding

Chidichimo added that unfortunately this reported lack of understanding is to be also charged against our authorities in the government, the political and social forces which influence their efforts. In fact, social security makes the cost of labor higher with proposals of increased burdens placed upon agricultural enterprises to the point of penalizing those who ensure greater stability to dependent labor. In the meanwhile, it remains open to the most deplorable abuses with a considerable waste of money and relative advantage [as published] to the true agricultural workers. In particular reference to the burdensome nature of social security payments and cost of living increases, it is necessary to be aware that in the south there are products that absorb a high number of workers; however these products cannot guarantee the income that can be obtained in more fortunate agricultural areas.

From the meeting of the Modena farmers, Confagricoltura President Serra appealed to the new government to bring about an often-requested meeting with the prime minister together with other ministers involved, and the more representative agricultural organizations for the purpose of establishing the necessary consistency between economic behavior, social security payments, fiscal payments and even urban fiscal policies which either directly or indirectly affect the development of agriculture. With their civil protest demonstrations, the farmers also offer a cooperation that cannot be rejected.

6034

CSO: 3104

SOUTHERN UNEMPLOYMENT CONTINUES TO INCREASE

Rome IL FIORINO in Italian 13 Apr 80 p 5

[Article: "The South: Unemployment Increases"]

[Text] The problem of labor in the south continues to be critical. All employment indicators in the south show red: The ranks of unemployed increase, job-seeker's lists increase while the number of persons who find work continues to be less than in the rest of Italy. Between January 1979 and January 1980 the number of unemployed persons, according to the economic bulletin of the south, rose in the south from 694,000 [to] 775,000, an increase of 11.7 percent, against a decrease of 1.1 percent in the center-north. Considerable increases were registered in Basilicata (plus 36 percent) and in Sicily (plus 30.3 percent); they were lower in other regions, except for Abruzzo and Puglia, where unemployment has decreased slightly. In relation to the labor force, the rate of unemployment is equal to 6.2 percent in central-north Italy, rose to 11.1 percent in the south, with high points of 15.6 percent in Sardinia and 14.3 percent in Basilicata.

Lists of those seeking jobs in January 1980 indicate that unemployment is more unfavorable for the south than for the center-north. Compared with January 1979, rolls of those seeking employment increased 2.2 percent in the south and decreased by 0.8 percent in the rest of Italy.

Regarding the level of employment, data released by ISTAT [Central Statistics Institute] on the labor force show that in January this year total employment in Italy was 20.3 million, of which 6.2 million was in the south.

6034

CSO: 3104

CNR PLAN FOR ALTERNATIVE ENERGY SOURCES ANALYZED

Rome IL FIORINO in Italian 10 Apr 80 p 10

[Article: "Recycling Urban and Agricultural Waste as Alternative Energy Source"]

[Text] The need for more efficient use of energy sources, which has been felt for some time by that sector's scientific and technical workers after the oil embargo that followed the Yom Kippur War (6 October 1973), later became a priority problem for the governments of all industrialized nations. The importance and gravity of the energy problem led the CNR [National Research Council] in early 1975 to present the Italian government with a feasibility study for a vast and coherent research program which is the Definitive Energy Project. The project then became operative in 1976 following the approval by CIPE [Interministerial Committee for Economic Planning] of financing for the 3-year period from 1976 to 1981. The report was timely and exhaustive also because the subject of energy is markedly interdisciplinary and the CNR was the most qualified organization to carry out the study. In fact, an exclusively technological view of the energy problem would be strongly limited and limiting since it would lose sight of the close correlation that any energy policy must have with the entire programming of development of the national community also in regard to its insertion into the broader European and international context. The CNR Definitive Energy Project in its first 3 years of life has operated as a research arm of the state in the energy field. It coordinated the activities of the industrial, university and CNR laboratories. These different sectors, perhaps for the first time in the history of Italian research, have collaborated and worked together. About 2000 researchers with varying backgrounds have thus been able to meet on the level of method and productivity, even considering the negligible difficulty of an organizational and administrative character, thus creating a group of experts ready to render important services to the nation each in his own sector.

The fundamental objective of this first phase was to formulate proposals to reduce the main items in the national energy budget (housing construction, transportation, technology) and to use unconventional sources of energy (solar, geothermal, recycled waste).

A particularly important result was achieved with the presentation in July 1979 of a white book which represents the synthesis of research on the possibilities and feasibility of production in Italy of ethanol by fermentation for use in self-propelled vehicles.

Cooperating in the study were Alfa Romeo, ASSORENI (Association of ENI [National Hydrocarbons Agency] Group Companies); Italian ESSO (from 1976 to 1977); University of Bologna Institute of Agronomy; the University of Bari Institute of Agrarian Industries; and the University of Bari Institute of Agrarian Economics and Political Affairs. ASSORENI furthermore was responsible for coordinating the group's work.

The study began in July 1976 and was concluded in June 1979 and the complete report covering the 3 years will be available within a short time.

The expenses borne by the CNR is given in Table 1 in millions of lire (including the IVA [value added tax] as for industrial contracts).

The reason for the research can be easily seen if we examine the Italian energy budget from 1977, given in Table 2, which shows that more than 80 percent of the energy consumed is imported. Ethanol obtained by fermentation of renewable raw materials could therefore represent one of the few national energy sources. Production of ethanol in this way can be considered indirectly as exploitation of solar energy since it uses the results of vegetable-biological processes which take place through the determining contribution of the sun's rays. In view of its nonexplosive characteristics, the use of ethanol as a component of gasoline is extremely interesting: In fact, it makes it possible to achieve considerable savings of crude oil in the refineries' energy balance by using the present levels of lead used in gasoline. This would be in addition to economies in substitute volumes. Furthermore, in nations where regulations require the reduction or addition of lead, it would make it possible to do this without excessive energy losses in the refinery cycle. An optimal mix of ethanol in gasoline can be estimated at between 10 and 20 percent by weight. Thus, with an average annual consumption of gasoline around 12 million tons, the consumption of ethanol forecast would be between 1.2 and 2.4 million tons per year.

But what would the sources of ethanol be? In theory there are numerous sugar-bearing agricultural materials from which it is possible, after hydrolysis and fermentation, to obtain ethanol. Presently these sources have not been suitably exploited since the conditions of objective need have not been such as to draw the industry's attention to them.

However, it is possible to subdivide the sources into three categories: Urban refuse and residues of agricultural production and surplus, residues of processing in agrarian industries and raw materials cultivated for the purpose.

The use of solid wastes from large urban complexes for the production of ethanol offers various advantages. Important among these is the existence

of a collection organization that could carry the material to prescribed local processing plants. The present availability of this waste in the 33 recognizable metropolitan areas of the country in which 50 percent of the Italian population is concentrated, is equal to about 10 million tons per year. This quantity of waste can yield about 3.7 million tons per year of cellulose. From this, by enzymatic hydrolysis with cellulase produced from *trichoderma viridin*, assuming in large supply, a quantity of sugar would be obtained whose fermentation would produce about 900,000 tons of ethanol.

The technology of such a process of enzymatic hydrolysis has not yet been developed on an industrial scale. However, research in this direction is being done and the process could become available in the short to medium term.

Presently there is a little-used residue of farming and agricultural processing which could potentially be used in the production of ethanol. These residues, prevalently of a cellulose type, are quantitatively sufficiently large, but their practical use prevents considerable problems due to their diffusion over very large areas of land. Among these materials we can include the residues of forestation work (roots, stumps, tops, branches, etc.) which constitute about 40 percent of the organic material of the entire tree and which presently are abandoned in place without being used. With new methods of collection which are being studied, there is a trend toward uprooting the entire tree and processing it to send the desired parts of the trunk to the traditional industries, while the residue could be used for production of ethanol.

Also worthy of mention are the hay from wheat and rice; the husks from rice, wheat and other grains; corncob, the husks of oleaginous seeds and various other products of lesser importance. Another potential useable material is the clippings from the main fruit trees whose mass has been estimated at 12 million tons per year. In view of the difficulty of collection, these materials could yield about 30,000 tons of ethanol per year.

Regarding the use of agricultural surpluses, restricted to fruit trees (peach, pear, apple) whose total has been extremely variable in recent years, but which in 1977 was about 400,000 tons per year, it is expected that 15,000 tons of ethanol per year could be extracted. Aside from the relatively small amount of alcohol available from such fruit surpluses, it is estimated that such use is economically disadvantageous since it represents a waste because only the glucidic component would be used with the resulting loss of all the others. Aside from this, it is pointed out that this source, which varies considerably according to the year, could not guarantee a sufficiently constant supply. Finally, it should not be overlooked that such a use would have a negative effect on public opinion which would counsel a search for other more valid sources even if this use would be preferable to destruction in order to maintain market prices.

The residues of the agricultural-food industries can be grouped into the following categories: Beet bagasse, vegetation waters from olives, wine

making and lees, whey from milk from which fats and proteins have been removed.

Their use for the production of ethanol is severely limited by two important facts: The extreme polarization of most of the industries of this type and the temporary nature of processing which is strictly linked to periods of harvest of agricultural products, which often is very short. However, an element in favor of their use is the fact that they generally possess a considerable pollution potential of an organic nature which in any case must be reduced by fairly costly processes regardless of how they are disposed of. However, considering the fairly small quantities of ethanol that such sources would yield in view of the complex and burdensome technological problems tied to production, it is too risky to think about using them in other ways.

Among materials cultivated for the purpose, a distinction can be made between the starchy and sugar-bearing materials. Among the starchy, the following have been considered: Potatoes, corn, sorghum, wheat, barley, oats, Jerusalem artichoke. However, even though the production of these products is considerable, on one hand they are subjected to controlled prices, on the other they are barely sufficient or even inadequate for national needs. Not the least important is that these raw materials consisting of polysaccharides, require hydrolysis as in the case of cellulose even though these industrial processes are now well established and reliable.

Among the sugar-bearing raw materials the following were considered: Vines, sugar sorghum, sugarcane, beets and carob-bean. In general, however, among cultivable products that make it possible to now establish an acceptable feasibility plan for the production of fuel alcohol, only beets, and secondarily sugar sorghum, play a prominent role. Particularly, in regard to sugar beets there is available a knowledge of agrarian and industrial technology and of well established and consolidated individual and associational institutions of agriculture-industrial producers. All this makes it possible to formulate more reliable forecasts for every type of cultivable material. The use of beets in producing alcohol simplifies many aspects of cultivation techniques, by increasing production per hectare and permitting the extension of cultivation into areas that are less fertile and with slightly salty water. All this is a result of the fact that the sugar content of the roots is less important for the production of alcohol than it is for that of sugar and there is not interest at all in its sugar-producing characteristics.

Table 1--CNR Expenditures for Definitive Energy Project

	1976	1977	1978-1979	Total
Asoreni (formerly Snamprogetti)	15	30	53	98
Alfa Romeo	10	25	53	88
Esso Italiana	5	10	--	15
University of Bari	5	25	35	65
University of Bologna	--	--	20	20
Total	35	90	161	286

[Tr. Note: Above figures in millions of lire]

Table 2--Italian Energy Balance Sheet (1977)

	Millions of Equivalent Tons of Petroleum	Percentage Produced Nationally	Percentage Imported
Solid fuels	10.0	8.8	91.2
Crude oil	95.4	1.2	98.8
Natural gas	21.7	52.1	47.9
Hydro-geoelectric energy	12.6	100.0	0.0
Nuclear-electrical energy (only energy produced primarily from nuclear fuel)	0.8	0.0	100.0
Total	140.5	18.4	81.6

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CSO: 3104

RIOTS OVERSHADOWED INAUGURATION CELEBRATIONS

'Autonomous Citizens' Claim Responsibility

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 3 May 80 p 1

[Text] Amsterdam, May 2--A little known group calling itself 'autonomous citizens' today claimed responsibility for the riots which overshadowed celebrations here on Wednesday marking the inauguration of Queen Beatrix.

In a stenciled statement sent to the Dutch news agency (ANP), the group said it not squatter's organisations sparked off the large-scale fighting in the city centre in which over 200 people were injured, including 102 police. [sic]

Referring to the shops looted during the fighting, the statement said: 'Amsterdam saw for the first time on Wednesday a new method of getting back what the privileged class steal from us. Smash the windows of big shops and take what you want.'

A police spokesman said it was not known how big the autonomous citizens group was, adding: 'The first we heard about them was two week's ago when folders were handed out in Amsterdam calling on people to demonstrate against the monarchy on April 30.'

The squatters' groups, who occupied an empty office block here on Wednesday, denied having played a major role in the disturbances.

Court Hearing

Police later said that 28 people arrested during the riots were questioned by the public prosecutor today and three of them were released.

A spokesman said the 25 now held, ranging in age from 16 to 43, would probably be charged with assault and face a magistrate's court within 10 days.

Among them were an Englishman and one Moroccan. Under normal Dutch procedure, no names are released until suspected persons have stood trial.

Mayor Turns Down Police Suggestion

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 2 May 80 p 3

[Text] The Hague, May 2--Amsterdam Mayor Wim Polak issued a statement last night taking issue with police commissioner Cees de Rhodde who had earlier suggested that in future rioting police should shoot at attackers.

Mr Polak said citizens' violence against police was inadmissible in a democracy and called on the political parties in his city to discuss ways of countering it.

He suggested that for the time being a solution should be sought in strengthening the defensive equipment of the police.

Home Affairs Minister Hans Wiegel, who has sharply denounced the riots and accused broadcasting media of incitement, said in a television interview last night the Amsterdam city administration should 'consider the matter thoroughly.'

He saw the riots as a result of a too permissive situation in Amsterdam where people were allowed to operate on the fringe or beyond the pale of the law with impunity.

Opposition leader Joop den Uyl, speaking at a May Day meeting in the southern city of Tilburg last night, sharply criticised Mr Wiegel's condemnation of the media, saying it was up to the courts and not to the Government to decide whether media had been guilty of incitement to unlawful behaviour.

Mr Den Uyl agreed with the police trade unions' call for more personnel and heavier materiel to deal with large-scale marauding.

He felt police officers should not be exposed to such aggression, especially to prevent shooting situations and an escalation of violence.

Resistance Fighters for Firm Measures

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 2 May 80 p 3

[Text] Vorden, May 2--Dutch World War II resistance fighters urgently appealed to the authorities last night to stop tolerating riots but to prevent or end them with all legal instruments at their disposal.

The umbrella organisation of resistance associations made the appeal in a comment on the fierce street battles which overshadowed festivities marking the start of Queen Beatrix's reign.

The organisation condemned what it called the 'organised attacks on the competent authorities' which it said 'seriously damaged the interests of our democratic legal order.'

CONSERVATIVES ABORTION STAND LIKELY ISSUE IN 1981 VOTE

Willoch: A Party 'Burden'

Oslo ARBEIDERBLADET in Norwegian 11 Apr 80 p 6

[Article by Pal Nordenborg and Thor Viksveen]

[Text] Problems of crisis proportions are hitting the Conservative Party now with full force in connection with the abortion question. After yesterday's drop in the opinion polls, the remainder of the Conservative leadership now shares Erling Norvik's evaluation of the internal party problems.

Incoming chairman of the Conservative Party, Jo Benkow, says the party has not spoken clearly enough on the abortion issue. The action by the 21 parliamentary representatives has made the confusion even greater, he says.

The party's parliamentary leader Kare Willoch says that the abortion issue has undoubtedly been a burden to the Conservative Party.

The initiator of the letter sent by 21 parliamentary representatives, Lars Roar Langelet, does not believe this contributed substantially to the drop.

DAGBLADET's publication yesterday of the MMI (Market and Media Institute) poll showed a 2.7 percent drop for the Conservatives. The party is now down to 26.6 percent. This is the lowest figure since just after the election in 1977. The Labor Party had an increase of 3.2 percent and the Christian People's Party an increase of 2.2 percent.

The Conservatives' chairman, Erling Norvik, commented on the figures yesterday by saying, among other things, "In recent times, we have seen a tendency to put our differences on public display and carry out discussions in such a manner as to give the impression that we are not playing on the same team. On many occasions I have cautioned against letting decisions be made in the press. Also, it is unfortunate to have the kind of debate

whereby we speak more about each other than with each other." In an interview with DAGBLADET, he criticized among other things the initiative from the 21, who clearly expressed their opposition to abortion. He characterized this mode of operation as "completely foreign to the Conservative Party" and he stated that not everyone in the party felt they had been heard on the abortion issue. "We should have taken on the abortion issue in a completely different manner," he says.

The new chairman of the Conservative Party at the national convention in less than a month will be Jo Benkow. He had this to say about Norvik's statement:

"I agree with many of the points Erling Norvik names as reasons for the drop in popularity, although I would not draw such firm conclusions on all points. The primary reason for the drop is a spontaneous reaction to the fact that the Conservative Party is not speaking as clearly on the abortion issue as the party would normally be expected to do. This had led to confusion in both fringe groups so that some people have gone over to the Christian People's and others to the Labor Party.

"Why has the Conservative Party had so much trouble with the abortion issue?"

"I believe the problems are not as great as some would have it. So far the party has not had a natural occasion to deal with the issue fully."

"So it is a question of communications and not real political discord?"

"It is the lack of a natural occasion to discuss the problem. The abortion issue has been presented as a battle within the party. This is not correct. In my opinion, there has been no movement toward a battle over this issue recently. The difference is that now the question is being discussed publicly to a greater extent and not internally within the party."

"Norvik regrets the public debate that has taken place. Do you?"

"I regret that there has been a public debate before the party leadership has been able to determine an organizational procedure for dealing with the issue."

"Do you criticize the "petition action" by the 21?"

"I find no reason to do that. However, I would have expected the 21 to have better foreseen the consequences of what was done. Their course of action has created greater confusion over the Conservative position on the abortion issue. For this reason, I am not happy that they have taken this line of action."

"Norvik says that not everyone in the party has had the opportunity to influence your party's stand on the abortion issue. Do you agree?"

"I believe that is correct. However, I would like to stress that it has not been the wish of the party leadership to prevent a free exchange of opinions."

"It has now been announced that a procedure for dealing with the question will be worked out, which will mean a further delay until the national congress next year before the Conservative Party will take a real stand on the abortion issue. Would you personally support this method of dealing with the problem?"

"Yes, I would, although this of course does not mean that the delegates at the congress will be precluded from expressing their opinion on the issue."

"Then you are not afraid the abortion issue will remain like a sore on the party for a long time to come?"

"No I do not, assuming that there will be a large number of delegates who go along with this method of dealing with the question."

"Do you feel it will be more difficult to be chairman with falling popularity in the polls and a battle over abortion?"

"I would not say it will be more difficult. I have never imagined that being chairman of a large party is any picnic. I believe the losses in the polls are temporary and I have complete confidence that we will solve the abortion problem in a satisfactory manner," Benkow says.

Jo Benkow stresses in conclusion that there is every reason to exercise the necessary reservation when interpreting poll results from one month to the next. The party's leader in parliament, Kare Willoch, expresses the same opinion in his comments to ARBEIDERBLADET:

"Opinion poll figures for a single month can be very misleading. MMI has previously shown large fluctuations for the Conservative Party, which cannot have been genuine. But even with this reservation, I must say that it would not be surprising if the situation at the time of this survey has been a burden to the Conservative Party. The discussion of the abortion issue is undoubtedly one of the circumstances that have been a burden to the party."

"The internal debate on this topic has probably given a much more dramatic impression than it actually should. Among other things, the much discussed letter to the platform committee on abortion with 20 signatures from the parliamentary group created a much stronger impression of 'action' than its initiators had intended," Willoch says.

Member of Parliament Lars Rør Langalet was one of the initiators of the letters that were sent.

"What are your comments to Norvik's statement that he has cautioned against letting decisions be made in the press?"

"I am in complete agreement that it is correct and desirable to work out positions through internal discussions. We are not the ones who published the letter that was sent to the newspapers. And I assume the same is true of the other proposals for the platform."

"Do you believe that the disagreement in the abortion question is the reason for the drop in the opinion polls?"

"The results are so strikingly great for all parties that, in my opinion, we should wait and see before drawing any far-reaching conclusions. As before, these surveys should be taken with a grain of salt."

"But, in itself, we must expect the disagreement to have a certain effect. But it seems to me that we should not lose our composure over this," Langalet said.

Party Growth, Unity Dilemma

Oslo ARBEIDERBLADET in Norwegian 11 Apr 80 p 4

[Editorial]

[Text] There may be many explanations for the success the Conservative Party has enjoyed, both in the political opinion polls over a certain period and in the latest communal election last fall. It is not enough to point to the international wave of conservatism that has given conservative parties throughout the Western world a push in the right direction.

For some time, the Norwegian Conservative Party has managed to present a united leadership. The disputes that have undoubtedly been present underneath have never come to the surface. Politically, during this period, the Conservatives have bet on a number of horses. The party has presented itself at the same time, but to different groups, as arch-conservative (bordering on reactionary, since Carl I Hagen and the Progressive Party have again appeared on the scene) and as liberal. This has led to the Conservatives' gradually making much political hay. The party is in the process of representing every possible point of view at once.

There is an old saying that it takes a good back to bear success. Everyone can see that success has gradually taken its toll on the Conservative Party, too. Success has appealed to the Conservatives' eternal tendency toward pride and arrogance--and these are no small forces we are speaking of, once they have been unleashed. The party is already counting on a

nonsocialist government with Conservative dominance and a Conservative prime minister as a certain result of the parliamentary election in 1981. The most "bloodthirsty" envisage a strictly Conservative government.

In recent months, some scratches have appeared in the Conservative varnish. When Erling Norvik made it known that he would leave his position as chairman, a debate over the chairmanship spread that included not only people, but also political realities. The Conservative Party was no longer a unified party with a unified leadership. Built into the party are forces and directions so diverse that it is difficult to imagine that they can be united. This is a confirmation of the fact that the Conservatives' success is a "borrowed success." Most people who have analyzed the wave of conservatism have long ago determined that one of its certain characteristics is that it will one day turn into advances for the Labor Party and the Christian People's Party. Even if the grounds for comparison are otherwise not identical, it is appropriate to compare the Conservative advances with the immense support for the Labor Party in 1970-1971. This, too, proved to be borrowed success. This type of success contains within itself no small amount of protest toward the other parties.

Yesterday, DAGBLADET published an opinion poll that gave an unusually strong indication of decline for the Conservative Party. Later opinion polls will have to confirm or refute its accuracy. However, it is interesting to note that the Conservatives' own political leadership is commenting on the poll in such a way as to indicate that it suspects the poll may be correct.

Of course, Erling Norvik and other Conservative leaders are being too simplistic when they point to their handling of the abortion issue as the only scapegoat for the decline. On the other hand, it seems to us that the abortion issue is a good example of the Conservatives' dilemma in a number of areas. The Conservative Party runs into problems when it must take a concrete stand that the entire party must support. It is no longer of use to ride several horses at once. For example, the Conservatives cannot at the same time be both for abortion on demand and against abortion on demand. These are two positions that cannot be joined. Now that the party leadership has decided to prolong the debate on abortion until its national convention in 1981, it is exclusively as an expression of helplessness.

Of course, what further complicates this matter for the Conservatives is their relationship to the Christian People's Party. An unreserved "yes" to abortion on demand could mean just as clear a "no" to a possible coalition government with the Christian People's Party, even to nonsocialist cooperation in general. On the abortion question it is primarily the Labor Party and the Christian People's Party that will reap political profits on their respective sides. However, the opinion poll figures may indicate that there is much more to the Labor Party advances than just abortion votes from the Conservative Party. For the present, we will not

draw too far-reaching conclusions but we have noted with interest that the incoming chairman of the Conservative Party, Jo Benkow, has said that they are due to the decisiveness and vigor shown by the Nordli government.

Abortion Not Only Issue

Oslo AFTENPOSTEN in Norwegian 11 Apr 80 p 2

[Editorial]

[Text] No one month's results in one of the three public opinion polls provides sufficient grounds for statements concerning shifts among the voters. Since the elections last fall, the party barometer has been characterized by a high degree of stability. Thus, the Conservative Party seems to have taken a position just under 30 percent after reaching a high point a year ago.

We do not at all exclude the possibility that our second largest party is headed toward a downward trend but only after studying the tendencies over several months will it be meaningful to draw any conclusions, whether they be on the shifts or their causes. For the time being, it seems more like an attempt at a kind of self-fulfilling prophecy, and not a political analysis, when the abortion dispute in the Conservative Party is ostentatiously presented as the only reason for the drop in popularity reported by the Market and Media Institute. It should be mentioned that neither the communication from the 21 members of the parliamentary group nor the subsequent discussions and minor skirmishes had come to the public's attention at the time the survey was taken.

Moreover, there seems to be little unambiguous connection between party feuds and poll results. For example, the turmoil earlier this year in the Labor Party, which reached its high point when Tor Aspengren left the central board, had no effect worthy of mention. Now, the position on abortion on demand--and the confusion over that position--is more inclined to cause lower figures in the polls. And this could turn out to be the case if the party does not deal with the issue more cleverly than it has so far.

The abortion law has to do with fundamental attitudes and values--and with concrete regulations that directly affect thousands of people who are often in a difficult situation. It is unfortunate that the Conservative Party has not put enough emphasis on doing the spadework for creating a program on this issue.

However, the Conservative Party should avoid completely losing itself in a discussion of the abortion issue and of various individuals involved in it, if it should turn out--which we personally doubt--that the political barometer is moving in the wrong direction. In this case, such movement should be an incentive for an across-the-board effort. It should serve

as an additional reminder of the responsibility and duty the party has for presenting unified policies for the 1980's--a comprehensive alternative to socialist solutions.

Today, "Conservative voter" is a less precise term than ever before. Rapid growth has meant support from groups that traditionally stand far from the party. The vital question is how large a part of the crossover is due to dissatisfaction with the old party and to what extent it is due to enthusiasm for the ideas of the Conservative Party.

What can be ascertained in any case is that the will to remain a Conservative voter through thick and thin is far weaker now than when the party was under the magic 20 percent figure. This circumstance will be reflected in the opinion polls and it underscores the challenge of creating a political program with an active attitude and with drive when it comes to the problems that face us in the society of today and tomorrow.

1981 Congress To Decide

Oslo AFTENPOSTEN in Norwegian 14 Apr 80 p 3

[Article by Terje Svabo]

[Text] Local party representatives would not pardon a rush treatment of such an important matter. For this reason, it is my personal opinion that we must wait until the national convention in 1981 before taking any final position on the abortion question. This was the conclusion of the speech delivered by Conservative Party chairman Erling Norvik at Spatind last weekend. Despite the warm spring sun and excellent skiing conditions, 100 "townspeople and interested parties" had come to hear the Conservative chairman, who will soon leave his position.

Erling Norvik was in a very good mood as he met the townspeople and the local Conservative Association in Nordre Land expressed unanimously its belief that Norvik's efforts as chairman had contributed very strongly to the success of the association. For this reason, local party chairman Mette Mari Thomle expressed the hope that Norvik's withdrawal from Norwegian national politics would be temporary in nature.

In his speech, Erling Norvik took up the recent abortion dispute in the party and stressed that the Conservatives had not been especially clever in their handling of this issue. On this basis, he stated that local party representatives would not understand the propriety of deciding to take a position on the issue at the national convention in Skien in barely 3 weeks.

He gave his support to the formation of a committee to thoroughly compile material for a systematic treatment of the issue. Norvik stated that the party's representatives would consider it most reasonable if the abortion dispute were treated thoroughly. In addition, if a position were taken this year, the matter would still come up at the national convention in 1981 in connection with the working plan for the next period.

Present in the hall was member of parliament Harald U. Lied, one of those who signed the appeal to the party's platform committee in support of having a doctor determine abortion questions. Norvik stressed that he perceived such a course as incorrect and insufficiently thought out. However, he rejected assertions that those who signed the appeal had intended to be disloyal to the party.

Norvik saw fit to emphasize that no groups within the party are less interested than others in protecting unborn life. He pointed out that the Conservative Party is united in its efforts to obtain legislation that can best bring down the number of abortions.

"What can be done so that as few people as possible request abortions," Norvik asked. He continued: "Without embracing the current abortion law, I would like to remind you that the number of abortions today is no higher than it was under more restrictive laws."

The Conservative chairman repeated that there was no reason to make a secret of the fact that the Conservative Party is divided over the abortion issue and that the decision to be made at the national convention in 1981 will not be unanimous.

In the round of questioning after the speech, Norvik expressed his pleasure over the fact that the Center Party chairman, Johan J. Jacobsen, had come out so strongly and rejected the use of civil disobedience.

Norvik found Jacobsen's clarification timely, especially seen on the background of Center Party General Secretary Svein Sundbo's positive attitude toward civil disobedience.

Norvik stressed further that society cannot accept having resolutions of parliament stopped by civil disobedience and he urged the government in the future to exercise greater resolve when seeing that the decisions of parliament are carried out.

"What would Norvik have done if he had been prime minister to prevent Norway's participation in the Moscow Olympics," one questioner asked.

Norvik answered: "Norwegian athletes should not be seen in Moscow. That would have been my advice, but I would not have used any means of coercion. Moreover, I see no reason to cease athletic contacts with the Soviet Union but participation in the Olympic Games in Moscow is a different matter entirely.

"Soviet books, especially made in connection with the Olympic Games, state that the Soviet Union was awarded the games as a confirmation of the country's efforts in the service of peace," Norvik said.

Christian Party Must Compromise

Oslo AFTENPOSTEN in Norwegian 21 Apr 80 p 2

[Editorial]

[Text] Lars Korvald, parliamentary leader of the Christian People's Party, has been surprisingly quick to state that Conservative Party support for abortion on demand is about to destroy the foundation for nonsocialist cooperation. The occasion for this is a statement that the Conservative Party's leader in parliament, Kare Willoch, made in a newspaper interview and that many people have perceived as a defense of so-called free abortion in some form or another. The Center Party's chairman and parliamentary leader, Johan J. Jakobsen, has also publicly expressed concern over developments in the Conservative Party. Although Jakobsen is somewhat more subdued in his comments than Korvald, the Center Party leader is clearly of the opinion that the Conservative Party and Willoch are creating problems for nonsocialist cooperation. If one did not know better, one could get the impression that the Conservative Party is abandoning what has long been a common goal: to create a government together if the parliamentary elections result in a non-socialist majority.

We believe it would be advantageous both to the individual parties and to nonsocialist joint efforts in general if those involved would regain their composure and not write off the possibility of cooperation simply because there are some initial differences of opinion on various issues. And if the wish is that nonsocialist cooperation will be credible in the minds of the voters, they must first of all put an end to ultimatums that they know at the outset are irreconcilable with the concept of cooperation. Many people must still have fresh in their minds what an unfortunate effect it had when the Center Party chairman of that time came out only a week or so before the last parliamentary election and declared that his party could not participate in a government with a prime minister from the Conservative Party. There is hardly any doubt that most people perceived that move as a lack of fair play, as going against the rules that must be in effect for any cooperation between equal partners.

In cooperation, it can never be a question of all or nothing. Nor can it be that one side turns its back to the other if it does not get everything it wants. Cooperation means arriving at joint solutions through voluntary discussions.

It should be self-evident that one does not appear with unalterable positions on issues that in any event must be the subject of negotiations. If this political precept is ignored, the result could easily be as it was in Sweden when Thorbjorn Falldin of the Center Party presented his fatal ultimatum on the nuclear power question, thereby causing the split in the first nonsocialist government in 44 years.

Korvald's reaction to Willoch's statement on abortion seems to us both exaggerated and hasty. First of all, he should at least await the broad, systematic treatment of the abortion question that the Conservative Party is now planning. Before the Conservatives' position and the premises the party is building on are known, any advance discussion on the implications the abortion issue will have on nonsocialist cooperation is of relatively little interest. Moreover, we take it for granted that the abortion law--like every other controversial issue--will be the subject of thorough and conscientious discussions before a possible nonsocialist coalition government presents its proposal to parliament.

If one believes that the abortion question is more important than mutual, binding cooperation with a view toward a change of power in this country, then in that case one should bear in mind that such reasoning, carried over to other issues as well, will mean that nonsocialist cooperation simply is inherently impossible. The consequences of this must be a heavy responsibility to assume--whether we are speaking of the Christian People's Party or any other nonsocialist party.

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COMMENTATOR ANALYZES EANES', SOARES CARNEIRO'S CANDIDACIES

Lisbon EXPRESSO in Portuguese 3 May 80 p 2

[Article by Marcelo Rebelo de Sousa: "Two Generals, Two Destinies"]

[Text] 1. The First Lessons on the Presidential Race

The race to Belem has just now started, and it is already possible to learn some fundamental lessons regarding the first phase of that race.

After the announcement of Soares Carneiro's candidacy and the publication of the exchange of correspondence between the Democratic Alliance (AD) and the general, it was Gen Ramalho Eanes' turn to clearly indicate, in his speech of 25 April, that he intends to run again for the presidency of the republic.

Now one of the lessons, which are apparently more than temporary, concerning the atmosphere created around the presidential elections at the year's end is that their political importance will undoubtedly be greater than that of the parliamentary elections held 60 days earlier.

In fact, a comparison of the foreseeable essence of both elections, as well as of their potential results, warrants the conclusion that the presidential elections will constitute the essential "touchstone" for Portugal's political evolution during the next few years.

On the one hand, the constitutional position of the president of the republic in the Portuguese government system looms as the most prominent in comparison with the other organs of sovereignty, including the Assembly of the Republic.

On the other hand, constitutional practice has ended up accentuating some of the features of the presidential proclivity in the government system, particularly since mid-1978.

Finally, and this is a decisive reason on several counts: the future president of the republic will have a critical role to play in the matter of the constitutional revision.

Since the proposal for a referendum is the AD's strategy, to be voted on as soon as the Assembly of the Republic elected in the fall determines the authority through a framework-law on the subject, it is essential that the president of the republic be willing to promulgate the framework-law and to accept the constitutionality of the referendum, as well as the law for constitutional revision that will follow it.

To give a better explanation: Immediately following the election of the new Assembly of the Republic and the beginning of its activity, the AD, which considers itself a majority again, intends to promote the parliamentary vote on a framework-law for the referendum, which was initially planned for this legislature, but which will almost certainly not win a victory during it.

Hence the need for the president of the republic not to raise any political objections to the referendum framework-law, and, furthermore, to see to it within the Council of the Revolution which he will head that it does not come out in favor of the unconstitutionality of the document, nor have to change the organ's composition on this account.

On the assumption that all this is quite readily possible, it would be quite likely that a referendum with two very concrete points would then be subjected to a popular vote: the possibility of exceeding the two thirds majority called for by the Constitution for its revision; and exemption from abiding by any material limits on that revision on the part of the Assembly of the Republic.

To hold this referendum, the intervention of the president of the republic is necessary again.

Finally, assuming that the referendum is approved, the law on constitutional revision adopted by the majority of the AD (which in this instance would be an absolute majority but not two thirds) must be designated as such by the president of the republic, so that, accordingly, it may not be subjected to preventive investigation of its constitutionality by the Council of the Revolution. Or, to put it differently, the president of the republic must have the majority of the Council of the Revolution to prevent it from possibly being tempted to designate a law on constitutional revision voted on in non-compliance with Articles 286 and 290 of the Constitution (although with the backing of a popular referendum) as a common law, and hence subject to preventive investigation of its constitutionality.

In brief, the future president of the republic will have to justify the option of the AD, if it has a parliamentary majority, from the standpoint of complete political and juridical acceptance of the referendum for constitutional revision, with all its consequences. Otherwise, there will be no referendum in Portugal.

The importance of the presidential elections is well understood.

2. A Democracy of Military Candidates

The second lesson that may be learned from the presidential race is that, in the young Portuguese democracy, 75 percent of the presidential candidates will inevitably be military men.

The time when Dr Sa Carneiro publicly asserted that the PSD [Social Democratic Party] would only accept a civilian candidate or a military one in the reserves is long gone.

The candidate Soares Carneiro is anything but that.

Some day, we shall also reach the conclusion that the profession of faith of many Socialist leaders regarding a civilian presidential candidate has gone down in history.

Support, even if disguised, of the second candidacy of Ramalho Eanes is the opposite of that profession of faith.

Four years after the first presidential elections, the differences are insignificant.

The various political forces are trying to count on their military man in the belief that he has a position of supremacy within the Armed Forces themselves.

As we have said on several occasions, the defense of a civilian candidacy or that of a military man in the reserves is related to a well-intentioned dream of certain Portuguese politicians; a dream which ended on the day when they woke up to the realities of the country in which they were living, and had to accept the exact opposite of what they had upheld.

Dr Sa Carneiro found a candidate who is the most perfect example of a military profile, on active duty, with a strong personality and a marked public affirmation.

Dr Mario Soares must be thinking, with a grieving soul, that he will have to "eat" everything that he thought and said about Gen Ramalho Eanes, for the sake of the nation's salvation.

But, on the one hand, there are retreats which end up being the price of a minimal degree of political realism.

On the other hand, the party rank and file have an extreme understanding, not to mention tolerance, toward the retreats of their charismatic leaders, especially when they are experts in "make-up" for their political shifts.

Yesterday, it was a civilian or a military man in the reserves: an entire congress applauded. Today, it is a military man on active duty: an entire congress will applaud.

The second lesson: The Armed Forces are still one of the few politically significant and enduring institutions in Portuguese society.

3. Each With His Own 'National Consensus'

One of the first public statements by Gen Soares Carneiro was that he is not an AD candidate, but that he accepts the backing of the AD. He thinks that his candidacy and the future exercise of presidential office are associated with an idea of "national servitude," which means that both the candidacy and the potential election to the presidency entail a broad "national consensus" which is not confined to a certain party sector and a certain amount of loyalty to a bloc of political forces.

However, in his speech of 25 April, Gen Ramalho Eanes theorized about the "national consensus" which is up to him to safeguard for Portuguese society, assuming the position of someone who does not accept commitments to certain partisan groups, but rather seeks to be the bearer of a plan of national dimensions.

Nevertheless, Gen Soares Carneiro only felt the need to reveal the desire to run as a candidate publicly after political investigations headed by the AD, and under direct subordination to its leaders. The fundamental principles of his candidacy were demarcated in response to a program charter the vast majority of which was underwritten by notable personages in the AD. As in politics, what appears is that Gen Soares Carneiro is the AD's candidate, and the "national consensus" that is claimed is one of many possible national consensuses. More exactly, in its main features, it coincides with the political consensus represented by the AD, its government and its parliamentary majority.

As for the speech of Gen Ramalho Eanes, which is a kind of academic exercise in refutation, point by point, of the exchange of letters between the AD and Gen Soares Carneiro, what can be said is that the "national consensus" that he mentions is also one of the many possible consensuses.

Moreover, when compared with the consensus with which Gen Soares Carneiro is associated, the consensus mentioned by General Eanes is even weaker.

Gen Soares Carneiro's "national consensus" is related to the AD, that is, to a parliamentary majority (except for a few reformers and some other PSD dissidents) and nearly half of the Portuguese electorate. This is at the outset.

The "national consensus" mentioned by Gen Ramalho Eanes is related to a central bloc, which would apparently include the PS, independent Social Democrats and associated political areas; which, up until the present, has meant nothing in institutional terms and which is far less than the AD in electoral terms.

Furthermore, Gen Ramalho Eanes is, on the one hand, attempting to dissociate himself from the PCP [Portuguese Communist Party] in his "political speech," and, on the other hand, he will have to inwardly accept the almost inevitability of the Communist vote in the second balloting exceeding 51 percent of the express votes of the Portuguese people.

In short, not any of the "national consensuses" so often mentioned in the presidential race are more than a partial consensus, inevitably linked with the backing and campaign of existing partisan political forces.

For Gen Soares Carneiro, it will be the AD, as a candidate who is the AD's candidate.

For Gen Ramalho Eanes, it will be a confused miscellany, possibly comprised of a reunion of yesterday's adversaries turned into tomorrow's allies, where-in Medeiros Ferreira, Mario Soares and Sousa Franco will be side by side in the first balloting; but, as we know, also Carlos de Brito and Major Tome in the second balloting.

Portuguese political activity is really acquiring very unique forums.

The AD is running for president of the republic a general whose leading political positions were held before 25 April 1974.

And General Eanes is running the very likely risk of having to accept the votes of those whom he defeated on 25 November 1975, in order to be reelected.

Unlike money, which it is often said lacks an odor, votes do have one. Particularly if they revert to a personage as hesitant, not to mention fluctuating, as the president of the republic whom we still have in Belem.

2909

CSO: 3101

ELEMENTS FOR SOCIALIST FRONT IDENTIFIED

Lisbon O JORNAL in Portuguese 11 Apr 80 p 6

[Article by Pereira Pinto]

[Text] What are the RAS and the CES? In the disquieting world of initials, these six letters have appeared with increasing frequency.

"We recognize the great importance of the dynamic generated on the democratic left around the idea of a socialist front, which would bring together those who defend freedom and democracy in their political and economic aspects.

"Generally, this has meant the ASDI [Independent Social Democratic Action], the MSD [Social Democratic Movement], the PS [Socialist Party], the UEDS [Union of the Social Democratic Left] and other groups on the socialist left, such as the RAS [Social Reflection and Action], CES [Center for Socialist Studies] and BASE-FUT [United Workers Front], and independent figures. Such a socialist front could represent the political emergence of a huge majoritarian social bloc--a social bloc of the disadvantaged strata in the cities and country--if it can translate its aspirations into concrete political action and find solutions at once consistent with the natural and human resources of our country and the nature of the world crisis."

These words introduce the proposal for political action drafted just days ago by the political groups RAS, of Porto, and the CES, of Lisbon. The proposal is the reply of the two groups to the outlined electoral front in which the PS would be the focus of adhesion.

The document also defines a programmatic electoral platform, defending the principle that the front should be considered in terms of its survival beyond the next elections. According to the RAS and the CES, the programmatic platform should include negotiation on the management of the central and regional administration, parliamentary action, constitutional revision, and social, labor and cultural sectors.

What, basically, are the RAS and the CES? Seeing them as the Porto and Lisbon versions of the same "ideal," we got in touch with Jorge Streh

Ribeiro to the RAS in Porto, so that we could inform the public about an association that could become one of the components of the socialist front.

Although it is still in a phase of academic discussion, the front might well become a basic factor in the legislative elections to be held before the end of the year.

Electoral Weight

The RAS does not pretend to have any electoral weight, in numbers. It knows its membership is limited--Eng Rui Oliveira, Oliveira Daniel, Arnaldo Fleming, for example--but it is also aware that its members bring together political experience gained in public positions they have filled and in their political-cultural involvement. They are individuals whose influence in Porto is of interest to the PS, and they are interested in the PS to the extent that they recognize the basic affinities and similarities that would coherently allow them to seek avenues for more visible political activity.

The members of the RAS are generally from a dissident group in the MES [Movement of the Socialist Left] in Porto. The split came about in late 1975 and early 1976, and cost the MES most of its number in Porto, both at the level of political leadership and of popular organizations and cooperatives. In the process of the evolution of the present RAS, its members left the MES, then defending the principle of "equidistance between the PS and PCP [Portuguese Communist Party]," in the sense of not establishing any preferential alliance; they were attempting to insure the survival of a political, military and social bloc, which ultimately fell apart. Frustrated in their attempts to change the course of the MES, the Porto dissidents finally formed an association concentrating on cultural sectors and on political reflection and vitalization. With no intent to be a political party, the RAS criticized the departure of the Lopes Cardoso group from the PS and the creation of the UEDS as a party.

"We reject the idea of constituting a party based on our association, because we feel that in this area of the left, we can conduct a different type of political work. This area is political-cultural, and it is a mistake to try to lock it into the classic party structure," Jorge Strech told us, thus also explaining the RAS doubts about the UEDS, doubts which the action of the Jorge Strech continued:

"We maintain ties with what is now the CES in Lisbon. These are mostly former IS [Socialist International] members who did not join the PS. I would mention, among others, Eng Fonseca Ferreira, attorney Araujo Sequeira and sociologist Marinus Pires de Lima. We also keep in touch with the BASE-FUT, namely in the political and union sector."

"Protocol for Reform"

Having summarized the development of the RAS from its beginning, and its present position, we move to the question of the elections, since we are basically concerned about the existence of the RAS as a possible part of a front with the PS as the principal nucleus.

In the 2 December elections, the RAS publicly took a position simply indicating it would be most practical to vote for the party on the left which could elect the greatest number of deputies. The RAS has modified its position, and is prepared to negotiate with the PS, not only to vote with the front but to take an active part in the electoral campaign beside the PS and other sectors of the so-called social democratic left. Jorge Strech analyzed the political situation for us, and the role of the RAS in it.

"There is a tacit agreement, undesirable, between the APU [United People's Alliance] and the AD [Democratic Alliance] toward party bipolarization. If the situation persists, it could lead to a consolidation of reserves around the PCP, but with no change to leftist government, leaving the right in power. This would be Italianization, a situation which would be more serious in Portugal than in Italy, because the PCP is not the PCI [Italian Communist Party], lacking the ability to get out of an impasse of this type with a kidney punch. Thus we would still have the right in power, and the APU maintaining strong resistance, resistance that would never lead to anything more, because the APU would not have the strength to become the constituted power. All this means that the PS must not be allowed to weaken. We must try to reach an understanding that would permit growth around it."

Following up on this position, Strech continued:

"It follows naturally in this analysis that we in the RAS are prepared to negotiate to participate in the electoral front, which might have the PS at its center, but this does not mean the negotiations would be easy. We are prepared to make serious effort to come together in a definition of a field of common action; we are disposed toward joint reflection to this end, and we are prepared to assume our share of responsibility. We have only had informal contacts up to now, but we are receptive to the idea of discussing it together so that, also together, we can arrive at the principles for action."

Strech continued:

"We say 'yes' to the front, but we feel it is essential to define the principles it will incorporate. We understand the need to oppose the right, to end its parliamentary majority, but we do not stop here. It would be a Pyrrhic victory. We feel it is vital to win the elections, but we feel nothing lasting will be accomplished without prior preparation of

a government program whose implantation could be viewed as viable. Hence, we felt that the formation of such a front would call for a set of principles, a signed protocol covering the major sectoral reforms, in sum, a very clear political agreement. Presidential elections and constitutional revision would have to be covered in the accord. Moreover, the RAS does not favor the 'distribution' of deputy seats among members of the front."

This RAS position, defended by Strech Ribeiro, may not coincide with the opinion of other potential members of the front. Nothing has been made clear on this "detail," but we know that there are those within the PS who think that, to form the front, it will be enough to reserve seven deputy spots on the PS ballot to "compensate for the services" of "some traveling companions."

Let us continue with Strech Ribeiro's discourse.

"One problem that some sectors interested in the front seem to want to leave out of the discussion is the relationship with the PCP, when there is not getting around the fact that such a front cannot achieve a majority by itself. It must rely on the PCP; it cannot avoid the problem. At the same time, the potential front must maintain its autonomy. The PS does not talk about this sensitive problem, but it must be faced.

"It is noted that, earlier, the PCP helped, in the parliament, to overthrow a PS government, and the same possibility is foreseeable in the future. Faced with this possibility, we say: The PCP voted then with the right, without suffering any political damage; however, if the front can achieve a predominately PS government, we must insure that, the autonomy of the front notwithstanding, the PCP is obliged to support that government. Why? Because that government would be the product of a dynamic and progressive program. In that case, if the PCP voted in parliament with the right wing against this government, it would only be at obvious cost. The PCP would be obliged to vote with the government on key issues in the Assembly of the Republic."

Jorge Strech defined the basic lines of the RAS political thinking. He has discussed them with a broad range of people, including Lurdes Pintasilho. Formally, the RAS is prepared to join the front which is beginning to take shape. That is, it is attuned to the idea of a front which should go beyond a simple agreement between parties and groups, to create a broad movement of all those in tune with the RAS, based on a clear programmatic platform. To this end, a manifesto undersigned by the RAS, CES, BASE-FUT and various independent socialists will be presented shortly for public consideration and backing. Formal contacts could begin at any moment.

6362

CSO: 3101

JAIME GAMA ON PS' INTERNAL DYNAMICS, SUPPORTS EANES

Lisbon EXPRESSO in Portuguese 3 May 80 p 8

[Interview with Jaime Gama by Pedro d'Anunciacao; date and place not given]

[Text] The differences between the various movements in the PS [Socialist Party] (political or personal?), the performance of the national secretariat, the negotiations for the establishment of a Socialist electoral front and his party's candidate in the presidential elections are questions discussed by Jaime Gama in this interview granted to EXPRESSO.

Gama, a Socialist leader who moved from the party's right wing to the "historical" group, now appears to be starting to dissociate himself from the latter movement, in a quiet return to his origins. Actually, as we shall see, he is refusing, for the present, to become identified with any of the PS persuasions.

However, on the most controversial question currently posed for the Socialists, Jaime Gama makes his position clear: Eanes is his candidate for the presidential elections.

EXPRESSO: I shall begin by asking you whether you feel comfortable associated with what has usually been termed the "historical group" of the PS? How is it that you, who have a reputation of belonging to the most conservative wing of the party, now appear to be linked with one of the leftist movements?

Jaime Gama: With the change in the Portuguese political situation in a conservative direction, it is understandable for the PS to have to return to a leftist position. Hence, I consider it a good thing that the tendencies, personages and movements which are most militantly attuned to that new requirement of Socialist policy can, in any event, have a privileged position within the PS. I think that a phenomenon of rebalancing, toward the left, is desirable.

EXPRESSO: In your opinion, are the present movements in the PS a result of ideological differences, or are they due essentially to personal issues among the party's leaders?

Jaime Gama: I do not deny that there may be disputes of a personal nature; something which, moreover, always occurs in the political groups. However, the political debate that is being witnessed within the PS is fundamentally a debate concentrated on the prospects for tactical and strategic options.

EXPRESSO: Now, for example, this is not happening in the matter of the presidential elections. The groups have become greatly weakened in the various positions assumed.

Jaime Gama: The presidential issue, owing to its importance to the consolidation of democracy in Portugal, and its significance to the identity of the party itself, has afforded great freedom of choice; a freedom that is evident within the PS, and even within what are regarded as its traditional movements.

EXPRESSO: But I must ask you whether you think that those groups are related to ideological persuasions.

Jaime Gama: Thus far, those groups have been formed on the basis of milestones in the party's political existence. This occurred in the case of the National Committee of Porto and the recent federative congresses, with particular significance in the case of the Congress of the Federation of the Lisbon Urban Area.

Renovation of the PS With All the Movements

EXPRESSO: Let us discuss the 1978 Congress, specifically. It was at that time that you appeared associated with the "historicals" and other elements opposed to the advent of new movements. You gave the impression of entering into an alliance to block the progress of the "new interlopers."

Jaime Gama: Insofar as I am concerned, that notion is completely groundless. I have always felt that all of the persuasions in the PS should be equitably represented in its leadership. Furthermore, I have always thought that the renovation of the PS should be an actual reality. Also, it was because I thought that those opposed to the advent of new elements within the party leadership were wrong that I was opposed to those who also wanted to exclude from that leadership others who had helped to construct the PS in the past, on the basis of a sectarian view of those new elements.

EXPRESSO: But it is a fact that, at the 1978 Congress, the "historicals" made a move to prevent the access of individuals from other movements to the secretariat.

Jaime Gama: That statement is not true. Those regarded as "historicals" only opposed the exclusion from the party leadership of a group of individuals who, while not wishing to hold the majority in the leadership, thought that they had a place in the party's activity.

Active Pluralism in the Secretariat

EXPRESSO: Do you maintain, therefore, that all persuasions should be represented in the secretariat?

Jaime Gama: I think that the campaigns for the forthcoming presidential elections would fully warrant a more active pluralism on the part of the present secretariat.

EXPRESSO: From an ideological standpoint, do you consider yourself closer to the "historicals," the "ex-GIS"[Socialist Intervention Group], the "technocrats" or the "moderates"?

Jaime Gama: I consider them all necessary to the present and the future of the PS. A creative synthesis of all those viewpoints seems important to me.

EXPRESSO: But do you regard yourself as being equidistant from all those movements? Don't you feel closer to one of them?

Jaime Gama: I do not think that the future of the PS can be correctly equated on the basis of the splitting that it may be undergoing at present. A great effort must be made to reflect upon and undertake internal reorganization, in order to create a new horizon and a new plan for the party. Whatever the evolution in the Portuguese situation proves to be, that effort for clarification in the PS cannot be made until after the legislative and presidential elections.

EXPRESSO: And in the meantime you do not wish to specify which of the movements you feel ideologically closest to?

Jaime Gama: At the present time, the movements in the party hold a position that I consider circumstantial.

Lack of Coordination Among Leadership Organs

EXPRESSO: And what about the present secretariat? Do you think that it is performing well, and leading the PS as a genuine opposition party?

Jaime Gama: The present secretariat has not yet established in a stable manner full coordination of its functions with the secretary general, the Executive Committee and the other party organs. That establishment is essential to the internal operation of the PS.

EXPRESSO: Since it is more homogeneous, isn't this secretariat be more stable as well?

Jaime Gama: The present secretariat is not uniform. It may be regarded as being comprised of three persuasions. The common denominator of those three

persuasions is what typifies the present majority of the party. But an issue such as the presidential election, for example, shows that, even in a majority, there can be healthy differences of opinion.

EXPRESSO: But those differences of opinion may also be rather insignificant since the overwhelming majority of the secretariat has a shared position.

Jaime Gama: From what I know about the PS, the overwhelming majority of the secretariat may have a numerical importance that is not in itself related to political influence.

EXPRESSO: In your view, could the secretary general alone reverse the positions of the majority of the secretariat?

Jaime Gama: The secretary general has an influence on the internal activity of the PS which no one fails to recognize.

The Party Needs More Dynamism

EXPRESSO: But let us return to the original question. Has the present secretariat performed well?

Jaime Gama: The present secretariat was the result of a very particular situation in the internal existence of the PS. The bulk of internal matters should be excluded from party polemics within a short time. The party needs more dynamism with respect to the competing political forces and, specifically, with respect to the present government.

EXPRESSO: If it needs more dynamism, is it because you think it has not performed in the best manner?

Jaime Gama: Under the present circumstances, the leadership of the opposition should not be an attribute of the PCP [Portuguese Communist Party]. The PS, owing to its democratic features and its social entrenchment, is in a position to be able to lead the criticism and challenge of the present majority, in a renewed, creative and non-demagogic manner that can sufficiently mobilize the electorate.

EXPRESSO: How would the PS be able to lead that challenge? The PCP can, specifically, use its influence in the labor union area. What about the PS?

Jaime Gama: One of the weak points of the PS is its labor union orientation. In that area, the party has a leadership that is too spent to be able to meet the requirements of the time.

EXPRESSO: If you were in the secretariat, what would you do?

Jaime Gama: It is my view that the PS, as a democratic party, should not be a partisan of the labor movement, nor attempt to wield a preponderant influence over specific labor union positions.

Under the present circumstances, there are favorable conditions for the Socialists to vie for supremacy in the UGT [General Union of Workers]; not as a party, but through the consistent militancy of the Socialist labor union members. The PS must not be unaware of the fact that many Socialist militants are members of Inter [Intersindical]. The PS, as a party, should try to become established firmly in the labor movement, in an equidistant manner, championing in the political realm what currently constitutes the demands of a large majority of workers from the government. I do not think that a subordinate status with respect to AD [Democratic Alliance] in the unions is a future option for the PS. My differences regarding the positions of those in the secretariat who are responsible for the labor union policy are well known.

Need to Act in the Legislative Area

EXPRESSO: In any event, there is a long, slow process involved in this aspect. The PS is not in a position to act influentially on the labor movement over the short term. In what other way could the PS establish itself, alongside the PCP, as an opposition party?

Jaime Gama: In my opinion, the dynamism of the parliamentary group is essential, both through positions regarding the legislative proposals of other parties, and through its own proposals in the legislative area as well.

EXPRESSO: But such action might not be felt greatly by the electorate as a whole....

Jaime Gama: It is one of the areas wherein I think that the PS must quickly improve its image.

EXPRESSO: And what are others?

Jaime Gama: I would cite the need for the PS to engage in a more dynamic opposition to the policy proposals of the AD government, attempting to offer for each of them a viable alternative with a greater impact and greater responsibility.

The PS has a great deal of room for challenging the present government. It must learn how to do so in its own terms, without allowing itself to be subject to the concepts or the language of other political forces. It would be highly detrimental to Portuguese democracy if a redoubled aggressiveness on the part of the PCP should be matched by an impotent apathy on the part of the PS.

Avoiding a Stalinist-Type Front

EXPRESSO: With regard to the electoral front that is to be negotiated, I assume that there are no differences within the party.

Jaime Gama: In my opinion, the PS should not consider the front in Stalinist terms. That is to say, the PS should consider itself a partner in the front, and not a guardian. The front is not being established to enlarge the area of the PS per se, but rather to enlarge from an electoral standpoint the area of democratic socialism which is, politically, larger than that of the party.

EXPRESSO: But are there no differences as to the forces and the personages that should join the front?

Jaime Gama: There are no differences in the political realm as to the nature and scope of the front.

Weighing the Situation for the Presidential Elections

EXPRESSO: Do you uphold the candidacy of Gen Ramalho Eanes for the presidency of the republic?

Jaime Gama: I have always said that I would back the candidate that my party chose. This does not mean that I have not expressed an opinion in the PS organs regarding what I consider the correct choice.

I think that the Socialists should meditate deeply on the negative effect of the Soares Carneiro candidacy on Portuguese society.

EXPRESSO: But do you back Ramalho Eanes?

Jaime Gama: In my opinion, the profile of Gen Soares Carneiro does not recommend him as president of the republic in a European democracy. Moreover, an unbiased magazine like NEWSWEEK ascribes more of a Latin American leaning to him.

EXPRESSO: But how do you think the PS should react to this situation?

Jaime Gama: The PS should opt for the candidacy that has the greatest chance of defeating Soares Carneiro in the electoral area, in the area of the civilian society and in the area of the institutions, specifically that of the military institution.

The Best Candidate Is the Current PR [President of the Republic]

EXPRESSO: And which candidacy do you consider that to be?

Jaime Gama: The candidate in the best position to defeat Soares Carneiro is the current president of the republic.

And I would like to explain my position in this regard. Ramalho Eanes has a relationship which, in certain respects, could be considered as being at odds with the PS. This does not in any way mean that the overall results

of his term in office should not be considered a positive reality by all democrats.

In the matter of a presidential choice, the PS must proceed with a more liberal view. Since an ultra-conservative risk is present, the strategy to be followed should be an extensive alliance, and not orientation based on a limited or sectarian selection.

It would be a serious mistake to evaluate the presidential issue on the basis of the internal disputes of any partisan group.

Soares Carneiro is already too greatly committed to the AD to be able to appear before the country or the military institution as an impartial candidate. He agreed to be a plaything of the AD.

Therefore, I maintain that the PS should not attempt to promote a partisan candidate, but should become associated with a movement in support of a national candidacy which can defeat the partisan candidacy of Soares Carneiro.

PR Cannot Be an Official in Uniform

EXPRESSO: This being the case, do you maintain that, in order to back Ramalho Eanes, the PS should not demand any political commitment?

Jaime Gama: A national candidate who would oppose the partisan candidacy of Soares Carneiro could not make the AD's mistakes.

EXPRESSO: There are some who cite the danger of giving Ramalho Eanes a blank check, as was done in the previous elections....

Jaime Gama: The president of the republic cannot be a PS official in uniform. Gen Soares Carneiro suffices quite well for uniformed officials.

The current president of the republic has proven to be quite capable of exercising his mandate within the democratic framework. What is essential for the PS is to contribute toward making the president of the republic someone with a capacity for insuring the stability of the democracy.

EXPRESSO: Therefore, with no commitments?

Jaime Gama: The PS cannot demand from a national candidate the type of subservience and commitments that the AD has demanded of Soares Carneiro.

EXPRESSO: The PS has opposed the constitutional revision through a referendum; however, without any commitment. After being reelected, Eanes could opt for that solution.

Jaime Gama: General Eanes has always been very clear on that matter.

EXPRESSO: There is a group of reformers which backs him and which has always advocated the referendum....

Jaime Gama: General Lanes is being attacked by the Portuguese right wing at present for not allowing himself to be its tool against the Constitution.

2909

CSO: 3101

MINISTER FOR AZORES COMES UNDER CRITICISM

Ponta Delgada CORREIO DOS ACORES in Portuguese 28 Mar 80 pp 1, 8

[Article by Carlos Teixeira, Social Democratic Party deputy to the Regional Assembly]

[Text] Between a small luncheon in the Azores and a dinner in Lisbon, the minister of the republic for the Azores has recently come to reveal a certain increasing taste for power.

The functions and responsibilities of the minister of the republic for the Azores are defined in the constitution and statute.

A loose interpretation of these provisions certainly leads to conflicts in which no one gains and, if there is a loser, it is surely the minister.

The disastrous action of the minister's predecessor is too recent to be forgotten, and it is well to keep in mind the results of that action.

It is not enough for the minister to declare his intention that when there are differences of opinion, they will be surmounted through dialog, and that if this dialog does not result in consensus, the viewpoints of those who legitimately represent the popular will should prevail.

What is said is not as important as what is not revealed.

It is curious to note, however, that what is hidden always comes clearly to the surface.

This whole issue has reference to the unfortunate action of the minister in recent times. I say recent times, because it is only recently that the news media have begun to report actions of the minister which are prejudicial to the philosophy of self-government as it should be understood, and which are absolutely impermissible.

When the minister of the republic for the Azores met with the president of the Advisory Commission for the Self-Governing Regions to exchange

views on the draft Statute for the Autonomous Region of the Azores, he was, without a shadow of a doubt, entering into a matter which is none of his business.

Once the statute for autonomy was approved by the Azores Regional Assembly, it became the sole responsibility of the Assembly of the Republic to rule on it now, and neither the minister of the republic for the Azores nor the Advisory Commission has anything to do with this process.

For the chief of the office of the minister to appear and to preside in his stead at official ceremonies, when members of the Regional Government are present, must be considered a travesty.

When the minister of the republic for the Azores attends official acts and ceremonies, it is as a "representative of the sovereign republic," and nowhere is it said that he may delegate this responsibility to another official, much less with the curial overtones it has assumed.

I would hope that the Regional Government would deal with such situations. It should discuss the matter with the representative of the sovereign republic in the region, and if he remains stubborn, it should forbid him to take part in such farces, abandoning all ceremony.

As if all this and more were not enough, however, in recent days we have witnessed the assignment of assistants to the minister, all in areas which should be the responsibility of the Regional Government.

I hope that this warning will help the minister recognize the false paths he has been following, and that the Regional Government, within the firm line it has always taken, will put things to right, since it is the latter which has the people's mandate to govern the Azores.

Ponta Delgada, 27 March 1980

6362
C80: 3101

PCP'S BRITO CONDEMNS GOVERNMENT'S BUDGET PLAN

Lisbon AVANTE! in Portuguese 8 May 80 p 11

[Text] At the end of 4 months, the Sa Carneiro government has the budget, generally speaking. It is not only the worst of those since 25 April; it is also the one for which we have had to wait the longest. The government and the coalition have done a great deal of talking about work, but they have not worked as they have talked.

The finance minister said: "It is not the budget that the opposition wants." It is far more than this: it is the budget that the Portuguese people do not want.

This was what was proven by the great May Day demonstrations which took place in at least 70 localities in the country, with the participation of far more than a million Portuguese people, reflecting a vast, strong movement of condemnation for the Sa Carneiro-Freitas do Amaral government and the policy that it is carrying out, including the orientation represented in the bills under consideration.

The bills for the great options of planning and the OGE [General State Budget] submitted to the AR [Assembly of the Republic] by the Sa Carneiro government constitute, on the one hand, the mechanisms of its policy for the restoration of capitalism and the intensification of the exploitation of the worker and of all the nonmonopolist strata of the population; and, on the other, they represent the tools of an electoralist policy whereby, with the deception and manipulation of a part of the electorate, the AD [Democratic Alliance] is planning to carry out an electoral masquerade in order to perpetuate itself in power.

The PCP's [Portuguese Communist Party] vote against the two bills is a steadfast disapproval and denunciation of that policy; but it is also a manifestation of repudiation of the way in which the government has presented it to the country, taking advantage of the monopoly of the nationalized news media and the reprehensible methods of censorship which have been increasingly imposed on newsmen and other workers engaged in working with them.

The Portuguese people have no doubts of the fact that their living conditions have seriously deteriorated since Sa Carneiro and Freitas do Amaral assumed their duties in the government.

But, in view of the campaign of lies which the government is conducting concerning the nature of its measures for economic and social policy and the promises of prosperity that the government propaganda has been disseminating, it has become an obligation and a debt of honor for the opposition parties to gravely inform the Portuguese people that the orientation of the economic, financial and social policy contained in the proposals approved in the general budget indicate a still greater exacerbation of the living conditions of our people.

The debate which the AR held for 3 days had at least one virtue: It afforded an unmasking of the real budget and plan, which have been concealed under the heavy cloaking of falsification which the government propaganda has constructed and will continue to spread.

It was proven that the government's policy is leading to a devaluation of the real wages of the workers and to a general increase in the prices of items of prime necessity.

In general, the government has limited collective bargaining, and, contrary to the promises and claims that have been made, it finally ended up disclosing that it intends to impose a wage ceiling of 18 percent. In the state enterprise sector, the wage ceiling has appeared undisguised, and, in order to apply it, the government has not hesitated to resort to the worst kind of blackmail. The government has simply denied the civil service workers an updating of their salaries, attempting to impose on them a cut in real salaries of over 9 percent.

The government figures themselves acknowledge that productivity rose constantly during the past 4 years, whereas real wages underwent a decline of over 16 percent. The Sa Carneiro government is attempting to worsen this situation even more, by taking steps so that the portion of national income related to profits will continue to rise, while that associated with wages will decline....

We declare, and the debate proved that there will be an increase in the tax burden on the working population, and an extension of the obligation to pay taxes to include citizens who were exempt therefrom up until now.

It is not only the weight of the indirect taxes that is increasing (worsening the distortions in our tax system); the proposed reduction in the tax levied on remuneration from employment gives less benefits to those who have less, and gives privileges to those who already have higher incomes.

Most of the rural workers, many service workers and many thousands of industrial workers will be excluded from any benefit.

80 percent of the others will obtain a 2-point reduction; and only about 30,000 workers will obtain a 5-point reduction.

This fact in itself is sufficiently telling to unmask the government's demagoguery about what it calls the "policy of tax relief."

As for productive investment, it has become clear that the announced 6 percent investment rate is a "bluff." Such an increase, in real terms, is incompatible with the difficulties in granting credit, with the maintenance of the high interest rates now in effect, with the limitation or freezing of major public investment plans (such as the Alqueva, and the National Iron and Steel Plan), and with the increase of 3.5 percent per year in national production.

What is real is that the government's policy is leading to a standstill in productive investment, once again postponing the development of the national economy.

What the government is really "developing" is deficits in the current budget, the overall budget and the balance of current transactions. The hypocritical pride with which the government is attempting to justify them does not succeed in hiding the policy of disaster and dependence that they disclose, and the electoralist manipulation that is being planned with them.

With the same indifference with which it cites these unfortunate records on deficits, the government is violating the Law on Local Finances. The government is not only stealing 25 million contos from the local governments in 1980, but is also developing an interpretation of the law and expanding the concept of local authority for the purpose of justifying its non-compliance ad infinitum. For example, one observes how political forces which, when they were in the opposition, demanded administrative decentralization, once in power are disclosing their ferociously centralizing proclivity (albeit cloaked).

From the debate as a whole, there emerged more clearly the true image of an electoralist government of restoration, which is preparing for next fall with the idea of returning to 24 April....

Even more suggestive of the true image of the government, however, was the meeting which the CP's [Portuguese Railroad Company] director for the northern region held on 30 April 1980 with those in charge of various services and sectors. Topic: The government has placed at CP's disposal 400,000 contos for "investments of a priority nature." Immediate question: What are the criteria for priority? Answer, literally: "Only those projects which are quite visible and which can be completed by the end of September will be financed."

And 13 projects were selected: wastepaper baskets and ashtrays for stations, signs identifying localities, benches and seats, public address facilities for selected shelters and stations, a few synchronized clocks for selected

stations, flowers (with the recommendation that they be of good quality and bright colors), and, to top it off, this delightful touch: billboards measuring 2 by 1.5 meters, for the projects to be carried out, bearing the legend "projects for improvement to increase the passengers' comfort."

And for all this there is just one coordinator: an engineer, director and leading AD activist.

Mr President, Messrs Deputies, this is an outright disgrace. But this is the style and the real policy of the Sa Carneiro-Freitas do Amaral government. And this is the essence of the accomplishments of the bills for the great options of planning and the OGE.

One alternative to the planning bill involves a complete transformation; a transformation so that the fundamental options and goals would be in keeping with our potential and needs, placing the economy in the service of the people and the classes and strata with the least resources.

Through the current state management, the investment of the state enterprise sector and the measures related to macroeconomic policy, the plan should make it compulsory for the government to increase the population's purchasing power, curb inflation, raise the workers' real wages and bring about a just distribution of the national income.

The government should be forced to reduce unemployment and to promote economic development giving priority to agriculture, livestock raising and fishing, and to the basic industrial sectors (specifically, through an increase in the investment in the nationalized sector).

The plan should impose on the government the obligation to carry out projects and measures such as the National Iron and Steel Plan (which is not confined to a mere expansion of the Seixal iron and steel works, and which includes the utilization of the iron in Moncorvo and the Alentejo pyrites), the construction of the Alqueva dam, and the modernization of the fishing fleet and the merchant marine (with the use of Portuguese shipyards).

There should be included in the plan an obligation for the government to expropriate the 700,000 hectares of large estates in the agrarian reform zone, and to return to the UCPS/Cooperatives the land which was illegally and illegitimately taken from them, as well as to adopt measures for financial and technical support adequate to increase agricultural production both within and outside of the agrarian reform zone (specifically, to small farmers, rural workers' and small farmers' cooperatives, and the UCPS/Cooperatives).

Finally, the government should be assigned, through the planning law, the obligation to lend technical support and credit to small and medium-sized businessmen, with a view toward the production of products which are now being imported and a greater dynamization of their exploitation, as part of

the diversification, by all possible means, of Portugal's foreign relations, aimed at an improvement in the trade balance and in the interests of national independence.

The proposals to change the planning law which we have just submitted to the AR board are aimed in that direction.

As for the OGE bill, we could not neglect to propose:

Complete compliance with the Law on Local Finances, with the transfer to the local governments of the 25 million contos which the government stole from them;

The appropriation of nearly 8 million contos in the budget to be used for raises for civil service workers, so as to guarantee at least an updating of their salaries;

The spare fund transfer of a minimum of 1 million contos for the reconstruction on the islands of the Autonomous Region of the Azores hit by the earthquake of 1 January;

The expansion of the exemption limit in the Professional Tax Code to 138 contos, to afford a minimum of tax justice and in the same spirit as the change in the rates and scales for the professional and complementary tax.

In the area of social security, we propose:

An increase in the family allowance from 300 to 500 escudos;

The updating of minimal old-age pensions (and those of the disabled) in the general system, and for the CP to 500 escudos; and for social pensions, the dispossessed and rural residents to 3,750 escudos (with the same amount for those of the disabled);

An increase in the subsidy for major disability from 1,000 to 3,000 escudos;

An updating of the pensions of survivors to 60 percent of the pension for disability and old age.

In this area also, it would be possible (if it were not for this government) to find adequate compensation with respect to income without increasing the deficits, and, therefore, not creating new inflationary tension. The debts for social welfare alone (which can and should be paid) far exceed the minimal requirements for financing, which this OGE does not collect.

The proposals which we have just cited constitute in themselves an accusing decrimal of the government's policy, and entail another drastic and fundamental change: the ouster and replacement of the Sa Carneiro government.

The debate and voting on the planning laws and the OGE are a factor proving that the government is incapable of solving the problems of the people and the nation, and that it is making all of them worse. The government has received the budget from its majority, but it will not remain impervious.

NORWAY LABOR MOVEMENT TO AID UNION PRESS

Oslo ARBEIDERBLADET in Norwegian 9 Apr 80 p 7

[Article: "We Have A Duty To Help"]

[Text] "If you want to support the democratic forces in Portugal, you should support this aid project, being started by the Labor Movement International Support Committee (AIS)," Tor Aspengren, chairman of the Norwegian labor Press, tells ARBEIDERBLADET.

He says that the Labor Press is serving as technical adviser for the project, the purpose of which is to develop a similar press group in Portugal, according to the wishes of the Democratic Socialist Party, led by Mario Soares. This is the party with which the Norwegian Labor Party is collaborating.

Concerning the background for the collection of funds and what the aid will be used for, Aspengren says:

"Apart from the newspaper PORTUGAL HOJE, the large newspapers in the country are either state-owned or controlled by the Conservatives or the Communists. PORTUGAL HOJE and the CEIG press represent the Socialist Party and have a circulation of barely 20,000. The paper was started last fall and is the socialists' third attempt to create a mouthpiece for themselves. Today the paper is struggling against great economic difficulties and needs immediate help to survive. Among other things, it must develop its own distribution system, since the paper is being sabotaged by the other newspaper groups, which control the present distribution system. The paper is totally dependent on a good distribution system. Portugal has only individual newspaper sales with no subscription sales.

When we see how Sa Carneiro's Conservative government is deliberately purging all Socialist Party people from radio, television, and the state-owned press, we understand how important it is for the Socialist Party to obtain its own press. Radio and television are also state-owned, apart from one radio station that is run by the Catholic Church. These state organs are narrow mouthpieces for the Conservative government and they prevent the Democratic Socialists from presenting their policies. During

the previous election last fall, the Socialist Party received around a third of the votes. This fall there will be a new election. For this reason, help is urgently needed to guarantee operation of PORTUGAL HOJE.

The money we collect will be used, among other things, to purchase newsprint, which is expensive in Portugal. In addition, economic help will be used to buy trucks, which will be used to distribute the paper. AIS has already appropriated some funds but much more is needed.

The printing house also needs support. It currently has good technical equipment and skilled workers but it lacks some special equipment for printing different types of papers, which there is a good market for. In this way the printing house wants to improve its economic foundation. This is necessary for the future operation of the paper.

In addition to this immediate help, our friends in Portugal want both financial and technical aid to develop a press group patterned after the Labor Press in this country. The Socialist Party has presented a project to us that we have already begun. They have received promises from 20 local newspapers around the country that are interested in belonging to such a press group. Like the Labor Press in Norway, cooperation among these papers will include advertising, technical improvements, finances, and administration. The common editorial line will be of great importance to the Socialist Party, which will thus be able to reach its members and sympathizers throughout the country, Aspengren says.

But, of course, forming such a press group costs money.

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BRIEFS

GROWTH IN GDP--The growth rate of the GDP in 1979, in real terms, was about 3.4 percent, according to the most recent "monthly bulletin" of the Bank of Portugal. The estimated GDP growth was thus similar to that of the 3 previous years, above the average OECD rate and at a level not substantially different from that observed in 1978. This development is based on a slight recovery of productive activity in the last quarter of 1979, after a period of near stagnation from July to September. [Text] [Lisbon EXPRESSO in Portuguese 4 Apr 80 p 13] 6362

REAL WAGE DECLINE--Real wages fell by 8 percent in Portugal during 1979, although nominal wages rose by about 18 percent, reports a study of the UN Economic Commission for Europe. According to that report, the decline in purchasing power was the determining factor in the stagnation of levels of consumption, which were sustained only by emigrants' remittances and other non-wage income. The commission notes that the Portuguese economy in general was decisively influenced by the restrictive policy imposed to correct the deficit in the balance of current transactions. [Text] [Lisbon EXPRESSO in Portuguese 4 Apr 80 p 13] 6362

MILITARY BUDGET--The government has proposed and the military hierarchy has agreed to a cut in the Armed Forces budget. The sum initially set in the 22 February meeting between government and Armed Forces officials is to be cut by 2.2 million contos, according to a communique from the office of the minister of defense. Meanwhile, DIARIO DE NOTICIAS has learned that the Armed Forces allocation will be about 33 million contos. The government's proposal is explained by the policy of curbing public spending, as advised by the Council of Ministers. The communique also notes that "the Armed Forces have the correct data available through their own channels regarding the true budget, and are certainly not allowing themselves to be influenced by the false and biased reports that have circulated regarding the matter." "It is untrue," the communique stresses, "that there is any contention between the government and the Armed Forces regarding budget matters." The 22 February meeting at Belem Palace was attended by the Armed Forces chief of staff and the chiefs of staff of the three branches, the prime minister and ministers of defense, finance and planning. The aforementioned communique is by way of clarification, following reports in a Lisbon evening paper regarding budget negotiations alleged to be in progress between the government and the Armed Forces. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 26 Mar 80 p 1] 6362

FUENTES QUINTANA ON ECONOMIC DIFFERENCES AMONG REGIONS

Madrid EL PAIS in Spanish 4 May 80 pp 48-49

[Article by Prof Fuentes Quintana, head of the economic development unit:
"Economic Aspects of Spanish Communities and Regions"]

[Text] As two Spanish communities are starting at this time to enjoy complete autonomy and others are getting ready to witness the process of their formation and operation as such, the assessment of the economic potential of those communities and regions undoubtedly represents a necessary and possibly urgent task. But simultaneously that task is also complex since in all endeavors of this type it is so often difficult to establish the criteria and select the variables which make it possible to explain such estimates rationally as well as subsequently to quantify the different variables selected. However, the data now available about Spain's national income and its breakdown by provinces make it at least possible to initiate this task with some certainty regarding the validity of the conclusions that may be reached. The Economic Development Team, headed by Prof Fuentes Quintana and including Profs Lagares Calvo and Raymond Bara as well as economists Julio Alcaide, Garcia Lopez, and Miguel Valle, has relinquished on this occasion its customary field of analysis of development and offers on these pages an initial outline of the most outstanding features, from an economic viewpoint, of various Spanish communities and regions.

One of the themes which are now of concern regarding Spanish communities and regions is that of their varying economic capabilities and levels because of the problems that this can lead to for the expected generalization of their own autonomy and even for the long-term achievement of a greater degree of balance in regional income and assets distribution. For that reason to mention some of the data that make it possible to form an image of the economic power of such regions can prove to be of interest at times such

as these when a generalized autonomous organization of Spain begins to take effect.

Nevertheless, before beginning this task a warning must be given: The provincial entities which we use in this endeavor do not try to do more than respond strictly to the autonomous or preautonomous situation that now exists without an attempt to prejudice in any way the possible integration of specific regions in others or their isolated examination.

Furthermore, it is also appropriate to note that the statistical data that have been used in the elaboration of this effort stem from studies on Spain's national income and its provincial breakdown which are published every 2 years by the Studies Department of the Bank of Bilbao, rounding out such data on income and provincial GNP [Gross National Product] with other miscellaneous information originating from the publications of the National Statistical Institute.

But an analysis of the economic aspects of the autonomous Spanish communities and regions would be incomplete if another frame of reference were not added to it. In this case the additional reference could not be other than the European Economic Community given that the Spanish economy is moving toward EEC membership. However, since the Community itself evidences a very broad range of indicators among its various member-states, in most cases [separate] data relative to Italy have been included so that the reader may have sufficient bases of comparison. Thus, the EEC data and those of Italy also constitute a further statistical source of appropriate reference in this endeavor.

"Intensive" and "Extensive" Spain

The starting point in the analysis that we present our readers today is the disparity among the various Spanish regions. As is known that idea of disparity has even suggested the possibility of the existence of two very different Spains. Without considering the present validity of such assertions, on other levels of reality it is perhaps appropriate to determine to what point today's Spanish economy, viewed in terms of its various communities and regions, justifies that image of a dual and antagonistic Spain that we get from prospects different from the strictly economic one and generally with relation to other periods.

But in the ambit of the economy, too, the simplifying idea of the Spanish dichotomy has been maintained. Cambo used the terms "oases" and "deserts" while others have used those of affluent and underprivileged regions, or industrial and agricultural regions to characterize our diversified geography. Perhaps for this reason to determine to what point such assertions are correct may constitute a logical start for the task of producing indicators which better define the economic reality of the various Spanish communities and regions.

Can one uphold today the existence of two different types of Spanish communities or regions justifying the typical configuration of "oases" and "deserts?" Possibly the best way of answering this question consists in determining the density of the production and population in each of them, taking for this purpose the production and population figures for 1977 and the area in square kilometers of each of the regions mentioned. The results are presented in Table No 1 and through it it is possible to demonstrate that no radical and complete separation exists between the "oases" and the "deserts" if by these terms we designate respectively those regions where density of production and population is high and others with low densities in both these variables even though the terms mentioned are not too appropriate in the field of production. It would perhaps be possible to speak with greater relevance in this last case of regions of "intensive" and "extensive" production.

Indeed, if "extensive" or "desert" Spain can be said to be made up of Extremadura, La Mancha, Castilla-Leon, and Aragon, which are the regions with the lowest population and production densities, "intensive" or "oases" Spain--in the obviously distorted sense in which this term is used here--would be represented by Catalonia, the Basque country, and Madrid, which undoubtedly constitute those geographic areas where larger population and production is concentrated per square kilometer. The disparity between both types of regions or communities is notable if one refers to the data in Table No 1.

But the sharp duality between both types of regions does not remain fundamental in light of the data in Table No 1. Between the "oases" and the "deserts," between "intensive" Spain and "extensive" Spain there are many other regions--no fewer than nine--which account for 46.9 percent of Spain's production and 39.9 percent of its population, forming with the earlier-mentioned outer limits a continuous web of graduations and indicators in the apparent dialectic opposites of the two Spains that we have just mentioned.

Table No 1 is sufficiently significant so that the reader may determine that it is possible through its data to devise another intermediate group which sufficiently fills the apparent void that the outermost groups leave between them. Between the "oases" and the "deserts," between "intensive" and "extensive" Spain, there is a comfortable area of intermediate Spain which today constitutes no less than almost the entire other half of the country.

Affluent Spain and Underprivileged Spain

So far we have used the criterion of territorial density to characterize the various Spanish communities and regions. However, perhaps the criterion of the affluence or poverty of a given area with larger population--obviously justified--is that of production per inhabitant or, despite its known and obvious effects, that which most rapidly makes it possible to quantify the economic potential of any area.

Now then, if one refers to this indicator it is again possible to determine that there do not exist merely two fully distinctive and differentiated cores of affluent and underprivileged communities or regions. Contrariwise, among the communities that may be considered affluent by virtue of their production per inhabitant and those that can be characterized as underprivileged in light of this same indicator there extends an important core of communities which flesh out the void and act as a link between the two extreme groups. Table No 2 will make it possible for the reader to determine the basis of this assertion. Neither does the old theory of a dual and antagonistic Spain withstand, within the concrete framework of production per inhabitant, its contrast with data on existing Spanish communities and regions.

To assert that there are not just two distinct Spains--one affluent and the other underprivileged--does not mean to fail to recognize that there are some regions with high levels of production per inhabitant and others with very low levels. Table No 2 indicates, for example, how production per inhabitant in Catalonia, the Basque country, and Madrid easily doubles production per inhabitant of Extremadura in the lower extreme. In the same way this disparity between the economic power of the various regions measured through their production per inhabitant can determine how great it is, taking as a criterion the typical deviation of the said indicator which stands at some 21 percent compared to its average.

The data in Table No 2 similarly make possible some categorization of the various Spanish communities and regions, taking as a classifying criterion the levels of 200,000 Spanish pesetas and 275,000 pesetas in per capita production. In this way one can identify an initial bloc of communities and regions with per capita production below 200,000 pesetas in 1977 represented by Extremadura, Andalusia, Galicia, the Canary Islands, La Mancha, and Murcia; a second group with production ranging between 200,000 and 275,000 pesetas represented by Castille-Leon, Valencia, Asturias, Santander, Logrono, Aragon, and Navarre; and finally a third group made up of the Balearic Islands, Catalonia, the Basque country, and Madrid, whose production exceeded 275,000 pesetas per inhabitant in 1977. If such groups are formed their uniformity--as is logical--seems greater, the typical deviation reaching 10.5 percent from the average in the lower production groups, 6.8 percent in the intermediate group, but only 3.8 percent in the highest production group.

Table No 2 also includes the rates of growth of aggregate production for each community or region during the 1955-75 period and during the 1975-77 period. In light of such data it is possible to determine how, in general, production growth rates dropped quantitatively beginning in 1975 as a consequence of the impact of the economic crisis. But it is also appropriate to draw some additional conclusions including that growth rates have become much more heterogeneous within each of the groups noted in the 1975-77 period and that the regions affected most by the crisis with respect to their growth rate have been those enjoying a higher economic level.

A slower production growth rate, greater variation in its breakdown at the regional level, and especially greater decelerating impact in those regions or communities with a higher per capita production level consequently constitute some of the results of the crisis on the economy of the Spanish communities or regions.

Agricultural Spain and Industrial Spain

A third criterion which is frequently referred to when what is involved is to describe the various Spanish communities and regions is that of the greater or lesser importance of agrarian output in their aggregate production. Thus, there is reference to an agricultural Spain and an industrial and services Spain as an alternative version of a dual and antagonistic Spain.

The data in Table No 3 seem to indicate, however, that even such dichotomy cannot be approved if it stops there. From agricultural production representing more than 22 percent of its aggregate production--the case of Extremadura--to agricultural production of less than 1 percent--in the case of Madrid--there is a broad range of differences and indicators throughout the country.

However, this assertion must be adequately weighted because, while it is not certain that it is at present possible to talk without further qualification of agrarian communities or regions when in the area which is most heavily agricultural--Extremadura--agriculture accounts for no more than 22 percent of total production, it is unquestionably certain that the greatest portion of agricultural production--63.7 percent--is concentrated in the first six regions of Table No 3. Thus, at present there are no agrarian regions in the strict sense of the term but there do indeed continue to exist regions from where the country's major agricultural production is obtained. In all of them, however, industrial production and services are much greater than agricultural production.

Spain is Unequal In Its Regions

So far we have tried to demonstrate that there are more than merely two possible categories of Spanish communities and regions whatever the characteristic that is chosen for their definition. Consequently, there are not merely a desert Spain compared to a densely populated Spain or an affluent Spain compared to an underprivileged Spain or even an agrarian Spain compared to an industrial and services Spain even though all these extremes can be found in the wide variety of our communities and regions.

However, variety means heterogeneity or inequality and what is necessary now is to establish the degree of economic inequality existing among our communities and regions. For this purpose perhaps the best indicator consists in considering production per inhabitant shown in Table No 2. On viewing such data it is possible to form an idea of the degree of economic inequality existing among the various Spanish communities and regions now.

But it is appropriate to wonder whether the figures relating to per capita production are a sufficient indicator to gauge the level of concentration of this factor among the different autonomous communities, that is, the degree of economic inequality existing among same. The technical statistics experts will tell us that undoubtedly a good measure of inequality is the Gini distribution index. As is known, when this index reaches unity--or 100 if one is talking in percentages--it indicates the maximum level of inequality possible whereas when it points to zero it indicates the existence of absolute equality in the distribution of the factor involved among the various items being compared.

Now then, if Gini index values are computed for the distribution of production among Spanish communities and regions in a few significant years of our economic growth process or at the start of the present crisis the results are the following: In 1955 the Gini index stood at 20.99 percent; in 1967, at 17.24 percent; in 1973, at 13.76 percent; and finally, in 1977, it fell to 12.80 percent. One can draw some interesting conclusions from these magnitudes about which we shall try to comment below. First, that even though this could appear to be surprising, the growth process of the Spanish economy has seen a significant drop in the index of concentration of production among the various communities and regions. In other words, the inequality among these communities and regions, measured by per capita production, dropped significantly between 1955 and 1977.

But additionally another inference that can easily be made from the data under discussion is that the degree of inequality among the various regions, if one considers per capita production, is not excessive since a Gini index of 12.80 percent cannot be considered very high in terms of income distribution.

Finally, that the reduction in regional inequality was relatively slow in the 1955-67 period, accelerating significantly between 1967 and 1973, but slowing down once more between 1973 and 1977. Consequently, the economic crisis has impacted negatively on the process establishing greater equilibrium among the regions which has been under way in the Spanish economy since the mid-1960's.

Migrations As a Factor of Regional Equalization

The conclusions that we have just obtained regarding regional inequalities, however, have to be qualified in a significant way. As is obvious a greater degree of equilibrium in the regional breakdown of production per inhabitant may be achieved by two distinct processes--by increasing production or reducing the number of inhabitants. Now then, it is important to note that that greater degree of equilibrium in the economic power of the various Spanish regions that we have just mentioned has occurred thanks to the strong internal migration trends instead of greater production in the more underprivileged regions.

The relative "desertification" of some regions as far as population is concerned has consequently been the basic mechanism of the greater degree of regional equilibrium of production per inhabitant. If one considers for this purpose the five regions with the lowest per capita production in 1955 and if one compares their population with what they had in 1977 it is observed that they slipped from 43.04 percent of the total population to only 34.64 percent of said population, that is, they lost 8.40 percentage points with respect to aggregate population.

Contrariwise, if one considers the population of the five regions with the highest per capita production in 1955 and compares it with their population in 1977 one finds that the latter increased from 28.52 percent to 38.77 percent, that is, those regions gained 10.25 percentage points in aggregate population, a figure relatively similar to what the communities and regions of lowest production lost. The "desertification"--or better, the migrations--has constituted in the last 20 years one of the stimulants for the process of greater equilibrium in the distribution of per capita production among the various Spanish regions.

Transfers and Taxes As Redistributive Factors

Up to this point we have analyzed some of the factors which have produced in the last few years a clear tendency toward a greater level of equality in the per capita production of the various Spanish regions, measuring the level of inequality through gross regional product. But one is entitled to wonder whether this degree of regional inequality would be different if, in place of taking gross per capita product as a criterion, we were to take net regional earnings or disposable family income.

Now then, if instead of gross per capita product regional earning were considered the Gini index, instead of a magnitude of 12.80 percent, would show 13.78 percent for 1977. The distribution of regional per capita income is consequently significantly more unequal than the distribution of the gross product. Since the difference between the two concepts is premised on amortizations and transfers of labor and capital involving other regions, it is obvious that such concepts--and especially the mentioned transfers--constitute factors impacting negatively on regional income distribution.

But if instead of regional income or earnings we were to consider the concept of "disposable family income" per capita, the magnitude of the Gini distribution index would be reduced to 9.65 percent for 1977. As can be determined, this magnitude is much smaller than that of the concentration of regional earnings and even that of the regional concentration of production and obviously indicates a regionally more equal distribution.

The conclusion that can be drawn from these data is relatively simple but it may demand substantial efforts from us in the next few years: Whatever the system adopted regarding the organization of the autonomous communities in the immediate future it should not diminish this redistributive task at the regional level of the public sector which is playing such an important

role in the slow and difficult trend toward greater economic equality of the various Spanish regions. To secure the maintenance of this redistributive process will perhaps not turn out to be a simple task in a state made up of autonomous communities but it constitutes an essential need for the long-term survival of same.

Is Regional Spain Different?

Throughout this endeavor we have commented on the data providing a possible tentative economic appraisal of the various Spanish communities and regions. In the tables the reader will also have found data referring to the European Economic Community and Italy. On seeing the latter it is appropriate to wonder whether our figures are very different from those of Europe or whether our regional mosaic could find acceptable accommodation without disrupting the European concert too much.

To answer this question undoubtedly demands a much more extensive probe than the provisional and fragmented one that is presented here. But the differences between some of the average figures of the EEC and Italy already make evident the obvious variations concealed behind the apparent uniformity of the European Economic Community. If to this one adds the high degree of heterogeneity that likewise exists among the various regions of the different member-states there is no doubt that our familiar and not so excessive regional differences will represent for Spain as a member of the EEC more similarities than one would at first expect. In this respect Spain is not different either.

Table No 1
Regional Production and Population Density

	Production (thousands of pesetas per sq. km.)	Production (inhabitants per sq. km.)
Extremadura	3,612.3	25.1
La Mancha	3,844.7	20.4
Castille-Leon	5,635.3	26.7
Aragon	6,108.9	24.9
Logrono	11,770.8	48.1
Andalusia	12,322.1	70.8
Navarre	12,421.3	47.0
Murcia	15,668.8	79.5
Galicia	17,078.4	92.2
Santander	22,541.9	94.0
Asturias	25,965.5	105.5
Valencia	34,807.0	150.9
Balearic Islands	35,113.3	123.7
Canary Islands	35,332.6	189.0
Catalonia	53,948.2	184.0
Basque country	89,164.4	293.7
Madrid	176,400.9	570.5
Spain	17,073.9	72.4
EEC	73,569.4	170.4
Italy	47,603.7	187.4

Table No 2
Regional Production and Its Development

	Production per inhabitant (thousands of pesetas)	Growth rates of the gross regional product	
		1955-75	1975-77
Extremadura	144,082.5	3.4	2.2
Andalusia	174,067.8	5.0	2.5
Galicia	185,198.8	3.8	4.7
Canary Islands	186,944.6	6.3	5.3
La Mancha	188,279.8	4.5	2.2
Murcia	197,158.1	6.3	2.1
Castille-Leon	211,264.3	5.1	3.4
Valencia	230,638.3	6.2	2.0
Asturias	236,535.7	4.9	0.4
Santander	239,887.3	5.0	1.6
Logrono	244,750.1	4.5	2.6
Aragon	246,804.8	4.8	4.0
Navarre	264,545.3	5.4	2.3
Balearic Islands	283,781.4	6.2	4.8
Catalonia	293,272.8	5.9	2.2
Basque country	303,569.7	5.9	0.8
Madrid	309,214.0	6.8	4.6
Spain	235,960.1	5.5	2.8
EEC	431,761.4	4.0	3.7
Italy	253,971.5	4.3	3.7

Table No 3
Share of the Agricultural Sector
in Regional Production

Extremadura	22.35
La Mancha	21.75
Castille-Leon	18.14
Logrono	17.90
Galicia	16.65
Andalusia	15.93
Aragon	14.47
Murcia	13.26
Navarre	12.66
Santander	10.60
Valencia	8.47
Canary Islands	8.32
Asturias	7.18
Balearic Islands	5.22
Basque country	3.76
Catalonia	3.61
Madrid	0.71
Spain	8.66
EEC	5.45
Italy	7.73

TANZANIA, VIETNAM GET LARGEST SHARE OF 1981 FOREIGN AID BUDGET

Stockholm SVENSKA DAGBLADET in Swedish 30 Apr 80 p 13

[Report by Elisabeth Crona]

[Text] Tuesday evening, after more than 6 hours' debate, the Riksdag reached a decision on the appropriation for international aid for the next fiscal year. A good 5 billion kronor was appropriated in all, representing, as in the past, about 1 percent of Sweden's gross national product.

For aid arranged by international organizations such as the United Nations 1.47 billion [kronor] is allotted, while 3.25 billion is for Swedish aid to individual countries. The largest amounts go to Tanzania, 380 million; Vietnam, 365 million; India, 310 million; and Mozambique, 180 million kronor. The regular aid to Cuba ceases.

Latin America and the Caribbean will get 80 million kronor. Of this amount 30 million kronor goes to Nicaragua and 10 million each to the Dominican Republic and Jamaica.

A Social Democratic proposal for more aid to Angola, Vietnam, Nicaragua, and liberation movements and refugees in southern Africa was defeated by a one-vote margin. A Vpk [Left-Wing Communist Party] proposal that Sweden leave the World Bank and give less aid to India and Zambia and more to Vietnam and Angola was defeated by 308 votes to 17.

The Swedish government will propose changes in the World Bank so that the very poor countries can get especially favorable loans.

That was discussed by Foreign Minister Ola Ullsten (fp [Liberal]) in the debate on aid in the Riksdag Tuesday.

"Instead of a new payment for share capital, member countries could make contributions to a subsidy account," Ullsten said.

He will present his ideas in the so-called "global round," the new world-embracing UN negotiations in the fall.

Now that Sweden and other industrial countries are forced into economies and cutbacks, aid is often a conceivable item to save on.

"But to believe that the industrial countries' crisis can be solved by isolating the underdeveloped countries is wrong--even from the purely economic point of view," said Ola Ullsten.

Aid Will Increase

"We shall continue to increase our aid, of course, but we can use a part of the increase to mobilize other resources."

He mentioned the special export credit guarantees for projects in the Third World and the proposal concerning what are called "mixed credits."

"Those who call that a commercialization of aid have missed the point. Instead, it is a matter of using small resources to mobilize new resources."

"The Conservatives' election campaign has left its mark on the aid budget," said Gertrud Sigurdson (s [Social Democrat]), and criticized the cutting of 35 million kronor from the aid to Vietnam.

"We are still seeing roses in lots of golden pots," Allan Hermelius (m [Conservative]) answered with regard to aid to Vietnam.

"The national budget will still be 1 million kronor a day for the next few years." He raised the question whether Vietnam will be a permanent recipient of Swedish support regardless of what the country does internationally.

"There is nothing remarkable about cutting off the aid for Bai Bang now that the project has been completed," said Ola Ullsten in an argument with Gertrud Sigurdson and Bertil Måbrink (vpk), who maintained that the cut in aid to Vietnam is a political discrimination.

"There is no inconsistency in our helping the poor and at the same time condemning the Vietnamese foreign policy," Ullsten said. "But there may be difficulties if a number of cooperation countries follow foreign policies similar to Vietnam's."

Opposition Criticism

The opposition criticized the government proposal to stop aid to Cuba entirely this summer. Soon it will be Tanzania's turn to get less aid, they said.

Mats Hellström (s) spoke in favor of generous aid to Zimbabwe, which has very great supply problems.

On Wednesday the government is deciding to appropriate 21 million kronor for refugees who are returning to Zimbabwe, the foreign minister said.

DEFENSE MINISTER EXPLAINS PHILOSOPHY OF BUDGET CUTS

Stockholm DAGENS NYHETER in Swedish 11 Apr 80 p 4

[Article: "Defense Reduced Once More"]

[Text] Extensive rationalization is required in all parts of the defense forces in the 1980's. This is the view of the government, which on Thursday presented to the Defense Committee a so-called additional directive. The reason is first and foremost Sweden's strained economy. The committee is preparing the 1982 5-year defense decision.

Defense Minister Eric Kronmark asserts that it is not even practicable fully to implement the decision on defense made by the Riksdag in 1977.

Many units have already been dissolved and defense personnel has been much reduced, during the past 5 years. Despite this the cost of peacetime operation has taken an ever greater share of the total appropriations, says the government.

Shorter training periods for recruits and canceled training exercises have led to lowered preparedness.

Economic problems make it necessary to consider extensive rationalization in the defense forces.

According to Kronmark, it would be difficult and expensive to continue rationalization within the present organization. It must therefore be changed.

Another way of reducing costs is to consider the compulsory service, in the government's opinion. At the same time, it says that military defense should be based on general compulsory service.

According to Kronmark conceivable solutions include: Some draftees to receive shorter training, certain of those fit for service to be exempted from military service, and certain draftees trained directly for civil defense.

Review

Civil defense as well must reduce its goals. Since funds available will not suffice for [bomb] shelters they should primarily be built in locales closest to important military targets. This means that shelters are built in larger cities instead in smaller neighborhoods, according to the government.

The government thinks a thorough examination is needed of the means used to assure readiness as concerns supplies. For example, economic defense should bear costs that reasonably should be borne by the economy.

11,256

CSO: 3109

N-REFERENDUM DECIDED; SOCIETY MUST TURN TO WIDER ISSUES

Stockholm SVENSKA DAGBLADET in Swedish 17 Apr 80 p 3

[Article by Carl Tham, People's Party Riksdag member: "The Referendum--and Now?"]

[Text] It is to be hoped that the result of the referendum will put a stop to a more than 5-years long, intensive political debate in Sweden. A modern and complex technology has been scrutinized in detail and discussed to a unique degree. The message of the majority of the people was a "Yes, but--." As early as the People's Party government's proposition of last spring, for the first time in any nuclear power country, a stop was put to the development of nuclear energy. This policy was confirmed in the referendum. Nuclear power is to be used--and wound up!

The debate has been very political. It was the Center Party that made it a great question in the 1976 election campaign and in 1979 as well. It was, said Thorbjorn Palldin last fall, "the most important question of the century." It was the Center Party, too, that drove through the referendum and engaged itself strongly in the referendum campaign. It was inevitable that the other parties as well would have to take positions on so important a question. They could not put themselves outside of the referendum debate.

The antagonisms in the matter had great political consequences, and contributed largely, among other things, to the fall of the Social Democratic government in 1976 and to the dissolution of the three-party government in the fall of 1978. The debate therefore took on an extra bitter and hard dimension that has been sad and trying, especially since the parties were split internally. Positions taken in the matter came to be interpreted in political and tactical perspectives.

Because the people's voice has now been heard, these antagonisms can now be removed. But above all it should now be possible to give the Swedish energy policy the strength and purposefulness it has for so long needed.

Only at First

In this situation many are heartily sick of the energy question and would like to put it from their minds: "The matter is decided." Unfortunately, however, we are only at the beginning of a very long and difficult period of readjustment in the energy area. The problems of energy policy are here to stay. The referendum has untangled the political knot, but the reality is still the same.

Sweden's dependence upon oil has not been reduced. Our exposed situation and insecurity greater than ever. Thus is now a matter, on the basis of the outcome of the referendum, of staking out the course: away from oil, and gradually also from nuclear energy.

Much Toil

It is my hope that positions taken on the energy problem will do away with the bars that for a long time have hampered a positive development in the energy area, above all the contradiction between, on the one hand the need for economy and renewable energy sources, and on the other hand the desire for exploitation of nuclear energy.

For several years I have devoted much effort to an attempt to explain that this contradiction is false and artificial. In other words that we need both to exploit nuclear power and renewable energy sources along with energy conservation.

This was also the main feature of the energy proposition of last spring and of the plan for winding up nuclear power presented in Line 2 of the referendum. Strict conservation and development of domestic, preferably renewable, energy sources are inevitable if we are to succeed in the ambitious goal of reducing oil dependence and gradually abandon nuclear energy.

Stricter Controls

I have the feeling, however, that many underestimate the economic and political problems that will result from this. In reality these problems will gradually lead to considerable interference in the activities of the enterprises and municipalities as well as in day to day activities of the citizens. Conservation will demand stricter controls than those hitherto applied, particularly in the housing area. The new energy sources carry with them environmental consequences sure to lead to protests and problems, as, for example, in peat digging. Nevertheless we must now depend upon a common effort to overcome these difficulties. It should now also be possible in the debate to do away with the idea of the enormous importance of nuclear energy to the social structure as a whole. It has been said, probably with good reason, that nuclear energy has become something of a symbol for many of the bad features we experience in modern society:

centralization, bureaucratization, alcohol abuse, lack of fellowship, threats to the environment, and so on. The problems to be tackled are real enough, but it should now be possible to discuss these problems without mixing them up with nuclear energy, which has very little to do with them.

Time Needed

The difficulties the country is facing are becoming increasingly plainly apparent.

We have serious imbalances in the economy; imbalances the overcoming of which will require time. Domestic consumption must be reduced substantially, industrial growth and renewal must be promoted, all with the aim of increasing exports and reducing imports to raise us out of an increasing dependence upon foreign financing. In addition, this must take place in a hardening international economic situation, in which many countries face similar difficulties.

The energy policy has its given and central role: It must also over the short term reduce our oil imports thereby to alleviate our economic difficulties. If this program is unsuccessful we shall face very great problems: rapid inflation, growing unemployment, and heavy dependence upon foreign financiers.

Quality of Life Demands

However, while we must carry on a strong growth policy it is at the same time necessary to cope with the unrest caused by the effects of industrial growth; the protest against the too mechanized society, and the demand for greater efforts for the environment and more scope for quality of life. The latter can--like all politically fashionable words--mean a little of everything: more time for the children, more culture, more opportunity to participate in social efforts, greater human concern in the public sector, and so on. These are demands requiring resources (a shorter work week, for example.) But they are also demands that easily end up in conflict with the demand for industrial growth. The recent referendum illustrated this conflict, even though a conflict between a safe and sure energy supply and "better quality of life" in my opinion is more fancy than reality.

No Exaggeration

Moreover, feelings of uneasiness are so strong that it is no exaggeration to speak of a beginning crisis of legitimacy in the welfare society. By this I mean that the social institutions--organizations, parties, enterprises, government systems, etc., no longer quite understand how to cope with the social and technological forces and that they have not been adequately adjusted to a changed reality.

A general feeling then arises of a number of things having to be done, but that nothing is done because of the rigidity of the social, economic, and political system; a conviction that development must take place along other paths, accompanied by an inability to indicate new solutions and goals.

This feeling is of course reinforced by the economic difficulties, which now seem too well known. The inflation of the 1970's and growing unemployment have eroded confidence in the methods of the mixed economy. This is combined with a growing questioning of "the meaning of the whole thing," the goals or lack of goals of a social transformation. Old social and spiritual common values are dissolved or lacking.

This complex protest is today found in the majority of Western European societies. It is expressed in various ways: In increased lack of confidence in parties, in the tax system, in organizations, in stronger environment protests, and new claims and demands directed to the government from all directions.

Clarify Connections

The situation can thus be summarized by saying that we must raise ourselves out of the economic crisis, but do it in a way that strengthens the common values, creates new confidence, and responds to the demands for an increased quality of life. In this is found also a great and important pedagogical task, namely that of making clear the connection between resources and possible reforms, and to show that many of the claims advanced are simply irreconcilable.

In a democratic society conflicts of goals must be demonstrated. If this is not done, decisions appear inadequate or strange, as manifestations of carelessness or indifference. People must be drawn into the complicated world of decisions, and politicians must have the courage to explain that at times decisions must be made in the interest of the whole, which can go against interests groups or local opinion.

New Conditions

But education is only a part of the work, of course. Much will deal with adjusting the system and the institutions to new conditions--and this is difficult. In an inflationary economy, where the belt must be tightened and savings made, the question of justice becomes ever more crucial.

Formerly, conflicts of distribution could be resolved through the pleasing automatics of growth. This is no longer possible. Distribution becomes in part redistribution. Confidence in the taxation system must be restored, and this cannot be done without great changes, which can become painful to those who have lived high in inflationary times.

We must make it easier for people to take responsibility themselves for community concerns and create a personal relationship between people's own responsibility and the activities of the public sector.

We must try to put a stop to the bureaucratization that has spread in the labor market because of a too extensive system of regulations. Agitation over the environment must be taken seriously, with the most essential given priority. All this is difficult but necessary if the 1980's are not to be characterized by bitter confrontations between an "economic" and a "nonmaterial" point of view.

Both special interest organizations and parties must realize that the reality has changed and that the problems of tomorrow cannot be attacked with the political methods of yesterday or in political constellations ideologically established several decades ago.

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ON EVE OF STRIKE: BUSINESS GROWTH SURPRISES

Stockholm DAGENS NYHETER in Swedish 26 Apr 80 p 13

[Article: "Good Business Continues in Sweden"]

[Text] Good times continue for Swedish industry. Thus far this year things have clearly been better for industry. Orders received from our export markets increased during the first 3 months of the year, and industrial production will therefore continue to increase during all of 1980.

This is apparent from the so-called economic barometer, for industry published on Friday by the state market conditions institute.

The economic barometer is a questionnaire distributed to the enterprises. The enterprises submit information on production, orders received, and labor requirements.

In the previous barometer, orders received had lessened, and the expectations of the enterprises were set low.

Now, however, the barometer confirms that things are better than expected. Things improved during the first quarter of this year. Orders received increased at a great rate. Orders received from the domestic market also showed increases.

Labor Shortage

Industrial production has now reached the level of the top of the last economic boom, 5 years ago. The labor shortage in industry has thus increased further.

The barometer shows, however, that industry is cautious about the future. The increase in orders is expected to continue, but at a slower pace.

The enterprises believe that the need for labor will continue to increase during the spring, but turn downward during the third quarter. In the

case of white collar workers, however, personnel reductions are expected as early as this spring. The engineering industry, a large branch, expects that the increase in orders will continue in general. The automotive and other transportation industry predicts a decrease, however, in both the export and the domestic markets. The majority of parts suppliers of the engineering industry predict a continued high production level. The number of workers will increase somewhat this spring, but turn down after the vacation period.

Fewer Orders

The iron, steel, and metal works have a somewhat different view. These enterprises reckon with softening demands, and production will therefore cautiously be reduced. For this industry as a whole employment will go down the rest of the year. In the metalworking part of this industry, employment is expected to continue to increase, however.

In the pulp and paper industry the good times continue. This branch has been able to raise prices. As recently as last week, for example, the SCA raised prices of kraft paper.

The paper mills now expect a certain reduction in orders received during the spring and summer. The pulp industry, on the other hand, believes in continued unchanged production and employment.

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GOVERNMENT REPORT AIMS AT DECREASED OIL DEPENDENCE

Stockholm SVENSKA DAGBLADET in Swedish 25 Apr 80 p 16

[Article by Bo Ostlund: "Oil Dependence to be Reduced"]

[Text] Reducing Sweden's dependence upon oil is the most important aim of Swedish energy policy. This is apparent from the government's energy proposal, presented on Thursday.

And oil dependence is to be reduced during the period in which Sweden shuts down nuclear energy. Energy conservation is therefore the second great task.

A number of concrete proposals are advanced in the energy plan: In the course of the next few decades lasting domestic renewable energy sources must be introduced. Over the long range they must cover the major part of our country's energy supply--and without negative effects.

Nuclear energy is to be shut down at the pace possible without endangering welfare and employment. Twelve reactors are to be used at most during the period regarded as their "technical lifetime." A program for energy conservation will therefore be presented. A fund for investments to replace oil is announced.

Use of electricity to be more strictly controlled. Among other things, directly applied electric power in new production will be banned as of January, 1982.

Increased Safety

Safety is to be increased in Swedish nuclear plants. The proposals of the reactor safety report are to be implemented or under implementation by the end of 1985.

Local safety committees are to be established at each nuclear power plant.

The Nuclear Power Inspection (SKI) is to be reorganized and strengthened.

As concerns social ownership of, among other things, the nuclear power plants, it is stated that Oskarshamn is the only nuclear power plant where increased social influence may come into question. In all others the state or the municipality is already the largest owner.

Natural gas plays an important role in the proposal. Imports from Denmark and Norway are the goal. Swedish State Petroleum should take over Svedgas, according to the proposal.

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PRICE INCREASES FORCE GASOLINE CONSUMPTION DOWN

Stockholm SVENSKA DAGBLADET in Swedish 18 Apr 80 p 1

[Article: "We Have Bought Less Gasoline"]

[Text] The constant price increases have now affected gasoline sales. In March, gasoline deliveries went down by all of nine percent compared to March of 1979.

During the first quarter of this year the reduction was a scant 5 percent.

"Studies have indicated that people regard economy as the most important incentive to saving energy," says Dina Byman, information secretary of the Energy Saving Committee to SVENSKA DAGBLADET.

All big corporations have applications on file with the government for permission to increase prices--gasoline by .15 krona per liter and heating oil by 150 kronor per cubic meter.

The government's decision in the matter is being delayed, but the risk of new price increases has increased recently.

Earlier, the prospects of the companies being granted price increases were relatively slight, but now world production has decreased, while at the same time spot market prices have increased greatly.

Spot market prices have increased much in the course of a couple of days. One cubic meter of heating oil, which last weekend was priced at 1,100 kronor plus freight and insurance, cost 1,220 kronor on Wednesday.

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BRIEFS

FUNDS FOR ENERGY FOREST--The Crown Lands Board and the southern forest owners will get some 9.5 million kronor for the first full-scale experiments in cultivation of energy forests. The government decided on Thursday to approve state support for the project. A total of 108 hectares will be put under cultivation. "Now we are moving from words to action with regard to energy forests," says Nils G. Åsling (Center Party), the minister of industry. "Research has gone far enough that it is time to go into full-scale experiments." It was the Commission on Energy Production Research (NE) that asked the government's approval of putting nearly 10 million kronor into the two projects. The southern forest owners will get 4.65 million kronor. They will plant trees on disused farmland in Kronoberg Län totaling 100 hectares divided into 10 tracts. The planting and cultivation can be done with ordinary farming equipment. The soil is of a common type and of little interest for the agriculture and silviculture of today. The Crown Lands Board project embraces about 8 hectares in the Finnsmossen and Surahammar communes. The soil is a typical central Swedish peat bog. This soil type, too, represents a large area that can be considered for energy forest cultivation. This project includes the highly mechanized cutting system that is being developed parallel to the project for testing. This is necessary in part to make it possible to judge the future costs of energy forest as an energy raw material and consequently the possibilities of energy forest as a substitute for oil. The Crown Lands Board project will get 4.9 million in state subsidies. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 20 Apr 80 p 21] 8815

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